

**Minutes of the meeting of the Group Audit and Risk Committee
held on Thursday 9 February 2023, 4:00 PM — 6:00 PM GMT
1B16, Technopark**

Present

Duncan Brown (Chair)
Allison Howe
John Cole
Mark Lemmon

Apologies

None

External auditors

Fleur Nieboer (KPMG, via teleconference for items 1-18)

Internal auditors

Josh Wilson (BDO, for items 1-18)
Nicola Walker (BDO, for items 1-18)

In attendance

Dominique Phipp (Secretary)
David Phoenix
James Stevenson
Natalie Ferer
Nicole Louis
Richard Flatman

Observer

Michael Cutbill (via teleconference from 5:30pm)

1. **Welcome and apologies**

The Chair welcomed the members and attendees to the meeting.

2. **Declarations of interest**

No interests were declared in any item on the agenda.

3. **Minutes of the previous meetings**

The committee approved the minutes of the meeting of 10 November 2022 and their publication with no redactions.

The committee approved the minutes of the extraordinary meeting of 11 January 2023. The minutes of the January meeting which considered the replacement of KPMG would not be published.

4. **Matters arising**

In-year statutory reporting process

The committee noted that the action to build the financial model in TM1 system was now closed.

SBA quality assurance internal audit report

The committee noted the audit report, which provided limited assurance.

Provide an update on addressing of weaknesses identified in the SBA overall annual internal audit opinion

The committee noted that this action is in progress. The committee acknowledged the limited resource of the SBA finance team and noted that more effective integration with Group finance colleagues would support improvement. An integrated framework for the SBA and SBC finance teams would be developed, with the aim of implementing it in 2023/24.

Completion of KPMG's audit recommendations 2021/22

The committee noted that the four recommendations made by KPMG as part of their 2021/22 audit are all in progress or completed.

Completion of student income internal audit recommendations

The committee noted that four recommendations are still outstanding and eight sub-recommendations are outstanding or in progress. The committee requested an update on this action at the next meeting.

Update on progress of the reconciliation of historic bank reconciling items

The committee noted that this action remains in progress. The committee requested an update on this action at the next meeting.

4.1. **Update on IT disaster recovery action plan**

The COO provided an update on the progress of outstanding recommendations from the information security audit.

The committee acknowledged the resourcing challenges of the IT department. It noted that progress of the complex steps of the IT disaster recovery action plan was in addition to the team's day-to-day workload.

The committee discussed IT resource challenges at SBA and SBC. It agreed that efficiency and effectiveness of SBC and SBA IT support arrangements could be improved. It acknowledged that most FE and MATs would not be expected to have the level of IT support equal to universities, but it is necessary to have shared standards across IT services in the LSBU Group.

The committee would continue to closely monitor the internal audit recommendations.

The committee noted that an IT consultant has begun a review of SBA's IT systems and resource requirements.

The internal audit director noted that BDO colleagues would be mindful of the differing IT resource across the LSBU Group and would clearly differentiate which of their recommendations are a priority from those that are good practice going forwards.

Internal audit

5. Internal audit progress report

The committee noted the internal audit progress report. It noted the changes proposed to the internal audit plan, which included exchanging a B3 condition audit for a B2 condition audit due to increased sector interest in B2 provision. The committee approved the changes proposed to the internal audit plan.

6. Internal audit follow-up report

The committee noted the audit follow-up report and the progress made implementing actions from previous audits since the last meeting.

The committee discussed an audit recommendation relating to monitoring of student engagement. It noted that this includes monitoring of students' academic engagement and attendance, the latter of which is linked to UKVI compliance. Development of a new attendance and monitoring app-based system is on track and would be piloted in two schools in April 2023. A policy on attendance and engagement is also in development.

The committee thanked the internal auditors for their work.

7. Internal audit reports

The committee noted internal audit reports focussed on LSBU Global, SBC Admissions and Enrolment, and SBC HR payroll data, all of which offered a moderate level of assurance.

Risk and control

8. Group corporate risk register

The committee discussed the corporate risk register, noting that no new risks had been added and six risk ratings had been changed since the register was last reviewed by the committee in October 2022.

The committee discussed whether a sufficient number of academic risks relating to operational delivery and quality of provision are included on the

register. It discussed the role of the Academic Board and its sub-committees, including the assurance function of the Quality and Standards committee (QSC). It noted that the primary focus of the risk register is on risks that require monitoring at a corporate level, and assurance on academic activities is offered to the Board of Governors through an annual report from the Academic Board. It agreed that no change to the register is needed at present, but this could be reviewed as part of the next substantive audit of academic activity.

The committee discussed how transnational education (TNE) activity is monitored at LSBU. It noted that the EAB, MPIC, QSC, LSBU Global School Academic Standards Committee oversee TNE activity.

The committee discussed how safeguarding compliance is monitored. It asked whether a safeguarding specific risk should be added to the corporate risk register. The committee noted that at LSBU the vast majority of students were 18+ and therefore the risks differ from the compulsory education environment. The executive were requested to recommend whether to add a safeguarding specific risk to the corporate risk register at the June 2023 meeting.

9. UKVI compliance report

The COO provided an update on UKVI compliance in relation to international students sponsored via the 'Student Route'. It noted that UKVI has confirmed that LSBU complied with all compliance thresholds in 2021/22.

The committee noted that a significant number of students have been withdrawn by LSBU for zero attendance and engagement following their enrolment. It noted that LSBU's completion data would be affected in 2024/25 when withdrawn students were due to complete their degrees.

The committee noted that the HE sector has seen a significant increase in the number of international students applying for asylum. Whilst students are permitted to do this, the universities most affected would meet UKVI to collaborate on a response.

The committee noted that an internal audit of the September 2022 and January 2023 recruitment of international students would begin in February 2023. Audit field work would take place in April. A report would be shared with the committee in June.

10. Safeguarding review

The committee discussed the findings of the internal student safeguarding and support workshop.

The committee noted that the safeguarding action plan would be discussed by the Student Experience Committee, a sub-committee of the Academic Board.

The COO reminded the committee of the definition of safeguarding. It noted that any person with a disability and all under-18s are considered vulnerable, but wellbeing and safeguarding support is available to all students.

The committee noted that safeguarding training is compulsory for all staff, but significant numbers of staff do not complete the training. The training includes how to identify, respond and report safeguarding concerns on behalf of students, but there are also no barriers to students reporting their concerns about fellow students or themselves to LSBU staff. Students can report concerns anonymously if wanted.

The committee noted that Organisational Development colleagues are reviewing the portfolio of compulsory training to mitigate barriers to training completion.

The committee requested an update on progress of the safeguarding action plan in June 2023.

The committee noted that a report on compliance with guidance and prevention of sexual harassment, bullying and harassment would be discussed by the FPRC in February 2023.

11. TRAC return

The committee noted that the TRAC return had been submitted to the OfS by the deadline of 31 January 2023.

The committee noted that submission of the TRAC return no longer requires prior approval by a sub-committee of the Board of Governors. Instead, it was reviewed by the TRAC working group, CFO and Vice-Chancellor prior to submission.

12. Anti-fraud policy review

The committee noted the group anti-fraud policy, which had been reviewed by the finance team. It noted that minor changes had been made since the policy had last been reviewed by the committee.

The committee noted the fraud response plan.

13. Anti fraud, bribery and corruption report

The committee noted the anti-fraud, bribery and corruption report. Two incidences of fraud, bribery and corruption had occurred since the last meeting.

14. Mitigations for national energy rationing

The committee noted the preparations in place to mitigate any potential rota

disconnection measures.

15. **Speak up policy review and speak up report**

Michael Cutbill joined the meeting as an observer.

The committee noted the group speak up policy, which had been reviewed by the governance team. No changes had been made to the policy since it was updated and approved by the committee in February 2020.

The committee noted that three new speak up matters had been raised in 2022.

16. **OfS reportable events update**

The committee noted that there had been no new OfS reportable events since the last meeting.

17. **Data protection report**

The committee noted the update on data protection breaches. There had been no new incidents involving breaches of personal data since the previous meeting.

The committee noted that the ICO had closed its investigation in to the cyber incident with no sanctions. The ICO's recommendations would be reported to and monitored by the cyber security board.

18. **Committee business plan**

The committee noted the 2022/23 business plan.

External audit

19. **Update on tender process for external auditors**

The committee noted an update on outstanding actions of the external audit for 2021/22, which included finalisation of SBUEL audit work. It noted that the SBUEL annual report and accounts should be ready to sign by the end of February 2023.

The committee thanked the external audit and internal audit attendees.

Fleur Nieboer, Nicola Walker and Josh Wilson left the meeting.

The committee discussed the Invitation To Tender documentation for external audit services. It recommended amendments, where possible, to the documentation.

The committee noted that the weightings of technical questions for bidding audit firms are largely pre-determined by the chosen External Audit Framework.

The committee discussed how to manage the tender process to ensure that the quality of bids and the capability of audit firms is assessed by the external audit tender panel prior to a review of audit firms' costs. The procurement team would test how best to manage the panel review process to enable this, if possible.

Nicole Louis left the meeting.

The committee noted that the final draft of the documentation would be shared with the Chair and the CFO on Monday 13 February. Following their final review, the Invitation To Tender would be published.

20. Matters to report to the Board

The committee noted that the following reports would be taken to the next meeting of the Board of Governors:

- UKVI update, via the Vice-Chancellors' report
- Corporate risk register
- Update on external audit 2021/22

Date of next meeting

4:00pm on Thursday, 29 June 2023

Confirmed as a true record

..... (Chair)