

Minutes of a Meeting of the Audit Committee
Held at 4pm on Thursday, 9 June 2016
In room V404, K2, Keyworth Street, London, SE1

Present

Steve Balmont	Chair
Shachi Blakemore	
Douglas Denham St Pinnock	
Mee Ling Ng	
Roy Waight	Independent co-opted member

External Auditors

Carol Rudge	Grant Thornton
-------------	----------------

Internal Auditors

Charlotte Bilsland	PricewaterhouseCoopers
Justin Martin	PricewaterhouseCoopers

In attendance

Prof David Phoenix	Vice Chancellor and Chief Executive
Richard Flatman	Chief Financial Officer
Craig Girvan	Head of ICT Security (<i>for minutes 1 – 9</i>)
Paul Ivey	Pro Vice Chancellor (Research and External Engagement) (<i>for minutes 1 – 9</i>)
Ian Mehrtens	Chief Operating Officer
James Stevenson	University Secretary and Clerk to the Board of Governors
Megan Evans	Governance Assistant
John Baker	Corporate and Business Planning Manager

Welcome and apologies

1. The Chair welcomed members to the meeting. The committee welcomed Roy Waight to his first meeting of the committee as an independent co-opted member.
2. Apologies had been received from Pat Bailey and Natalie Ferer. John Baker attended the meeting as an observer.

Declarations of Interest

3. No interests were declared on any item on the agenda.

Minutes of the last meeting

4. The minutes of the meeting held on 11 February 2016 and the redactions were approved (paper **AC.14(16)**). The minutes were approved for publication.

Matters arising

5. Minute 5 of 11 February 2016 – the committee noted that a formal journal review process was now in place.

Date Security closure report

6. The committee discussed the closure report and agreed to keep it as a live action as there are a number of ongoing actions. The committee will receive an update at the next meeting.

International Students audit report

7. The committee discussed the international students audit report from Penningtons Manches (paper **AC.16(16)**). It was reported that the audit shows sufficient preparedness for a UKVI audit.
8. The committee noted that due to frequent rule changes from the Home Office three additional staff members had been brought in to provide additional resource.
9. The committee noted the progress so far and discussed the cost of compliance.

Paul Ivey and Craig Girvan left the meeting

External audit plan 2015/6

10. The committee discussed the external audit plan (paper **AC.17(16)**), which was based on areas of risk. The committee noted that pensions liability was a significant risk; as well as the transition to FRS102 and new UK GAAP, which

would pose a one-off significant risk. The committee requested an update on accounting policies.

Indicative pensions assumptions

11. The committee noted the indicative pensions assumptions (paper **(AC.18(16))**). The committee noted that the LPFA assumptions would be brought back to the next meeting for approval.
12. Other matters discussed included the need to complete the technical review prior to the November meeting, the materiality level and measures against fraud.

Annual bad debt write-off (AC.19(16))

13. The committee approved the write-off of tuition fee debt of £625,000 (paper **AC.19(16)**).
14. The committee noted that the executive had agreed a change to the payment plan to commence from 2017/8 academic year, which would require students to pay their final instalment by 31 January each year, in line with sector practice.
15. The committee noted that LSBU makes effort to actively recover debt before referring the matter to collection agencies. The committee requested a review of how efficiently LSBU collects debt.

Progress report and reports from PwC

16. The committee noted the progress reports from PwC (paper **AC.20(16)**). The planned HR system pre-implementation review would now be carried out in the plan for 2016/17.

Financial data continuous auditing report, period 2

17. The committee noted the financial data continuous auditing report for period 2 (paper **AC.21(16)**). The amber rating for Payroll was due to a lack of documentation. The committee noted that action was being taken in this area.

Student data continuous auditing report

18. The committee discussed the student data continuous auditing report (paper **AC.22(16)**), which was rated as low risk.

Internal audit report: Management Information: Data Quality

19. The committee discussed “management information: data quality” (paper **AC.24(16)**), which was rated as medium risk. The committee noted that the new data management framework should address the issues in the report.

Internal audit plan, 2016/17

20. The committee discussed the draft internal audit plan (paper **AC.25(16)**). The plan was for 127 days over the year.
21. The plan included an audit of ICT and preparations for the HEFCE institutional visit in early 2017. The committee approved the Internal Audit plan for 2016/17.

Corporate Risk Register

22. The committee noted the corporate risk register (paper **AC.26(16)**)

Anti-Fraud policy review

23. The committee noted that the anti-fraud policy (paper **(AC.27(16))**) remained unchanged from last year. The committee approved the policy.

Anti-fraud, bribery and corruption report

24. The committee noted the report. (paper **AC.28(16)**)

Speak Up report

25. The committee noted the Speak Up report (paper **(AC.29(16))**). No new issues had been raised since the last meeting.

TRAC(T) return to HEFCE

26. The committee noted and ratified the TRAC(T) return to HEFCE. (Paper (AC.30(16)))

Audit Committee business plan (AC.31(16))

27. The committee noted its business plan. It was noted that the external audit contract was due for renewal, which would be added to the business plan for the next meeting.

Matters to report to the Board

28. The committee requested that the internal audit completion rates, external audit tender and the audit plan be reported to the Board. Additionally, the committee agreed to continue with the UKVI and data security audits and asked for these to be included in continuous audit reporting.

Any Other Business

29. The Chair reported that this was the last meeting for Douglas Denham St Pinnock, who would now chair Major Projects and Investment Committee. The committee thanked Mr Denham St Pinnock for his contribution to the committee.

Date of the next meeting

30. The committee that the next meeting would be held at 4pm on Thursday 22 September 2016.

The Chair closed the meeting.

Confirmed as a true record:

.....
Chair