

**Minutes of the meeting of the Group Audit and Risk Committee  
held at 4:00pm on Thursday 10 February 2022  
via MS Teams**

**Present**

Duncan Brown  
John Cole  
Mark Lemmon  
Rob Orr

**Apologies**

Nicole Louis  
David Phoenix  
James Stevenson

**In attendance**

Michael Broadway  
Natalie Ferer  
Richard Flatman  
Kerry Johnson

**Internal auditors**

Gemma Wright (BDO) (*for minutes 1 – 19*)  
Nicola Walker (BDO) (*for minutes 1 – 19*)

**External auditors**

Fleur Nieboer (KPMG) (*for minutes 1 – 19*)

**Observer**

Michael Cutbill

**1. Welcome and apologies**

The Chair welcomed members to the meeting.

The above apologies were noted.

**2. Declarations of interest**

No interests were declared in any item on the agenda.

**3. Minutes of the previous meeting**

The committee approved the minutes of the meeting of 11 November 2021 and their publication as redacted.

#### 4. **Matters arising**

##### Recruitment of co-opted member

The committee noted that Rob Orr would step down as a co-opted member in June 2022. The committee thanked Rob for his valuable contribution to the committee.

The committee discussed the skills required from a new co-opted member. The committee agreed that some knowledge of IT would be preferable, but that wider experience was also required for the role. A role description would be drafted setting out the skills required.

The committee noted the intention that a new co-opted member would be recruited ahead of the June 2022 meeting of GARC.

Independent governors would be requested to circulate the role description to any suitable contacts.

##### UKVI compliance update

The committee noted the positive update on actions arising from LSBU's internal review of its sponsored student records. Compliance in this area was an ongoing focus for management.

All other matters arising were noted as being complete or in progress.

##### **Internal audit**

#### 5. **Internal audit progress report**

The committee noted the internal audit progress report.

The committee noted that the Group Executive had supported the re-prioritisation of three audits to 2022/23 (SBC curriculum planning, LSBU marketing and LSBU health and safety), and the addition of an internal audit of EDI for 2021/22. The committee approved these changes to the internal audit plan.

The committee noted BDO's assurance that the re-prioritised audits would not affect its ability to provide the annual opinion.

#### 6. **Internal audit follow-up report**

The committee noted the progress made with implementing actions from previous audits. The committee noted the progress made on 2019/20 actions since the previous meeting.

The committee noted that some of the outstanding actions for SBA were being addressed, and that an update would be provided to the SBA Audit Committee in March 2022.

The committee noted that BDO was satisfied with the Group's progress on outstanding actions compared with other institutions in the sector.

**7. Internal audit report: LSBU student wellbeing**

The committee noted the internal audit report on LSBU student wellbeing, which provided a substantial level of assurance for both the control design and the operational effectiveness of the controls in place. It was noted that no recommendations had been made.

**8. IT security follow-up audit**

The committee noted the IT security follow-up audit, which took place during December 2021. The audit focussed on the progress of actions identified as a result of the Group IT security audit conducted as part of the 2019/20 audit schedule.

The committee noted that a number of high-risk recommendations had either been fully implemented, or work had been done to reduce the residual risk. The committee received confirmation that funding to enable outstanding actions to be completed was included in the appropriate budgets.

The committee welcomed the progress made and requested a further update at its next meeting.

**External audit**

**9. External audit progress report**

The committee noted the external audit progress report.

The committee noted that the Group CFO had recently met KPMG to discuss the circumstances that adversely impacted the 2020/21 external audit, including the challenges of remote working. The Executive was confident that a detailed action plan was in place to avoid similar impacts on the 2021/22 audit. This included the strengthening of FE experience within the KPMG team working on the audit of SBC.

**Risk and control**

**10. Group corporate risk register**

The committee discussed the corporate risk register, noting that there had been no changes to significant risks or risk ratings since the previous meeting.

The committee discussed the spread of risk ratings, noting that the register contained zero critical risks and zero low risks. The committee noted that the risk register had been reviewed by the Board at its meeting of 22 November 2021 and that risk ratings were regularly discussed by the Executive.

The committee noted the current focus of the Executive on the risks relating to OfS thresholds (condition of registration B3), league tables and degree apprenticeships. The Board would receive a presentation on OfS thresholds at its meeting of 24 March 2022.

The committee welcomed the additional detail on risk mitigations and noted that future reports would highlight different domains at each meeting.

### **Other matters**

#### **11. TRAC update**

The committee noted the update on the process of submitting the university's 2020/21 TRAC return to the OfS, due by 31 March 2022.

The committee noted that the process would be consistent with last year, with a detailed review process built into the schedule. Formal approval from the Group Audit and Risk Committee was no longer required by the OfS, however the draft submission would be shared with the Chair as part of the review process.

The committee approved the process for the submission of the university's TRAC return to the OfS.

#### **12. Financial regulations - update**

The committee approved the amendments to the Group financial regulations, subject to minor amendments.

### **Matters to note**

#### **13. Group speak up policy and update**

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 one new speak up matter had been raised since the previous committee meeting, relating to a current employment tribunal case. Following external legal advice, the Chair did not consider it appropriate for the matter to be dealt with under the speak up policy.

A separate matter had been raised in connection to the Students' Union, which was being dealt with by the Vice Chair of the SU as it is a separate

entity. The committee would be updated on the outcome of the investigation.

**14. Anti fraud, bribery and corruption report**

The committee noted that no new matters had been raised since the previous meeting.

The committee noted the update on the matter reported to the October 2021 meeting regarding the purchase of IT equipment. An independent investigation into the matter had been conducted, and had found no evidence of financial gain on the part of the individuals involved or financial loss to the university. A formal note would be placed in their personnel files and any further similar incidents would result in formal disciplinary action.

The committee requested that the Executive consider communications to staff a reminder of the importance of following the procurement regulations.

**15. Data protection report**

The committee noted the update on data protection breaches. There had been six incidents involving breaches of personal data since the previous meeting, one of which was reportable to the ICO. The committee had discussed the reportable breach in detail at its extraordinary meeting of 2 February 2022.

The committee noted that employees were required to complete mandatory training on data protection and cyber security on an annual basis, and that completion rates were monitored by the Executive.

**16. Reportable events compliance grid and update**

The committee noted the updated reportable events compliance grid. The OfS had reimposed more normal reporting requirements from 1 January 2022. The committee noted the revised definition of a reportable event.

The committee noted that there had been no reportable events since the previous meeting.

**17. Effectiveness review action plan update**

The committee discussed the update on the action plan and progress made since October 2021.

The committee noted that meetings would continue to take place four times per year, with extended meetings in October and November to allow for discussion of year-end matters. Extraordinary meetings to consider exceptional matters would be held where essential.

18. **Committee business plan**

The committee noted the 2021/22 business plan.

19. **Matters to report to the Board following the meeting**

The committee noted that the internal audit progress report, IT audit follow-up, corporate risk register, update to financial regulations, TRAC update and external audit contract would be reported to the next meeting of the Board of Governors.

20. **External audit contract**

*Fleur Nieboer, Nicola Walker and Gemma Wright left the meeting*

The committee noted that the contract with KPMG for external audit services was in place for five years up to 31 March 2022, and provided for two extensions of one year each.

The committee approved the extension of KPMG's contract for external audit services for twelve months up to 31 March 2023. A further review would take place during autumn 2022 to enable a decision to be made in good time to begin preparations for the 2022/23 external audit.

**Date of next meeting**  
4:00pm on Thursday 30 June 2022

**Confirmed as a true record**

*Duncan Brown*

..... (Chair)