

Minutes of a Meeting of the Audit Committee
Held at 4pm on Thursday, 30 October 2014
In room 1B27, Technopark, London Road, London, SE1

Present

Andrew Owen	Chairman
Douglas Denham St Pinnock	
Mee Ling Ng	
Shachi Patel	(Independent co-opted member)

External Auditors

David Barnes	Grant Thornton
Omadevi Jani	Grant Thornton

Internal Auditors

Charlotte Bilsland	PricewaterhouseCoopers
Justin Martin	PricewaterhouseCoopers

In attendance

Prof David Phoenix	Vice Chancellor and Chief Executive
Natalie Ferer	Financial Controller
Richard Flatman	Chief Financial Officer
Amir Rashid	Programme Director (<i>for minutes 19-21</i>)
James Stevenson	University Secretary and Clerk to the Board of Governors
Michael Broadway	Governance Manager

Welcome and apologies

1. Apologies had been received from Steve Balmont.

Declarations of Interest

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

Minutes of the last meeting

3. The minutes of the meeting held on 25 September 2014 were approved subject to minor amendments (paper **AC.52(14)**). The amended minutes were approved for publication subject to the proposed redactions.

Matters arising

4. There were no matters arising from the previous minutes which were not picked up elsewhere on the agenda.
5. It was reported that the first part of the HESES audit had been undertaken and had gone satisfactorily.

Audit findings

6. The committee discussed in detail the audit findings document prepared by Grant Thornton, external auditors (paper **AC.53(14)**). It was reported that the audit was substantially complete and that no material weaknesses had been identified.

Internal audit annual report

7. The committee noted the final internal audit annual report (paper **AC.54(14)**). The final report was unchanged from the draft which had been considered in detail at the previous meeting.

Going concern review

8. The committee noted the “going concern” review (paper **AC.55(14)**). The review supported the going concern statement in the annual report and accounts.

Draft report and accounts, 2013/14

9. The committee reviewed the draft report and accounts for 2013/14 (paper **AC.56(14)**). It was reported that the University made a surplus of £3.1m for the year which was well ahead of the forecast surplus of £2.5m.
10. The committee recommended the accounts to the Board for approval subject to minor amendments while the audit was being completed.

Letter of representation

11. The committee discussed the letter of representation to the auditors (paper **AC.57(14)**). The committee noted that the letter contained standard representations only and that no items had been inserted specific to LSBU. The committee recommended the letter to the Board for approval.

External audit performance

12. The committee noted that Grant Thornton, the external auditors, had achieved all of their agreed key performance indicators (paper **AC.58(14)**).

Review of non-audit services

13. The committee noted that during the year 2013/14 Grant Thornton had provided corporate tax advisory services with a value of £4,050 (paper **AC.59(14)**).

Internal controls – annual review of effectiveness

14. The committee noted the annual review of effectiveness of internal controls (paper **AC.60(14)**). The review underpins the statement of internal control in the statutory accounts. The final report was unchanged from the draft which had been considered in detail at the previous meeting.

Risk Register

15. The committee noted the corporate risk register (paper **AC.61(14)**).

Risk Appetite

16. The committee discussed the proposed framework for assessing the University's risk appetite (paper **AC.62(14)**). The framework was divided into four sections covering the following types of risk: 1) financial operation and investment; 2) legal compliance; 3) delivery of teaching and learning; and 4) reputation.
17. The committee recommended the proposed risk framework to the Board for approval. Detailed consideration of the Board's risk appetite in the four risk areas would be considered at a future Board strategy day.

Internal audit progress report

18. The committee noted a progress report on internal audit work (paper **AC.63(14)**). The continuous auditing of student data would begin shortly.

Internal audit report – Change Programme

Amir Rashid joined the meeting

19. The committee noted the internal audit report on the change programme, which was rated as medium risk (paper **AC.64(14)**).

Change Programme – risks and issues

20. The committee noted an update on progress of the change programme (paper **AC.65(14)**). The main issue of the programme currently was communications and engagement with staff.

Change Programme – informed decision making report

21. The committee noted an update on the four projects which made up the “informed decision making” theme of the change programme (paper **AC.66(14)**). Two projects were in development. The two live projects were rated amber due to timescales.

Amir Rashid left the meeting

Funding Assurance Report

22. The committee noted an audit report by AASG Funding Assurance on financial controls of research contract income from Research Councils UK, which was rated as satisfactory assurance (paper **AC.67(14)**).

Annual value for money report

23. The committee noted the annual value for money report (paper **AC.68(14)**) which demonstrated how the university had delivered value for money during 2013/14.

Draft audit committee annual report

24. The committee discussed the draft audit committee annual report (paper **AC.69(14)**). [REDACTED]

25. The committee approved the report subject to amendments as agreed with the Chairman of the Committee.

Anti-fraud, bribery and corruption report

26. The committee noted the anti-fraud, bribery and corruption report (paper **AC.70(14)**). [REDACTED]

Speak up report

27. The committee noted the speak up report (paper **AC.71(14)**). No matters had been raised under the speak up policy since the last meeting.

Matters to report to the Board

28. The committee noted that the annual report and accounts and the audit committee annual report would be reported to the Board meeting of 20 November 2014.

Any other business

UK Visas and Immigration investigation

29. The committee received an update on the UK Visas and Immigration (UKVI) nationwide investigation into fraud on the TOEIC English language test used by international students to obtain student visas. [REDACTED]

Further updates would be provided to the Board.

Date of next meeting

30. It was noted that the next meeting would be at 4pm on Thursday, 26 February 2015.

There being no further business, the meeting concluded.

Confirmed as a true record:

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Chairman