

Meeting of the Audit Committee

4.00* - 6.00 pm on Thursday, 7 June 2018
in 1B16 - Technopark, SE1 6LN

* Pre meeting with the Internal Auditors and the External Auditors
at 3.30pm in 1B16, Technopark

Agenda

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9.	Key Financial Systems update	To Follow	RF
External audit			
10.	External audit draft plan 2017/18 (to approve)	31 - 56	FN
Internal audit			
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12.	Student Data Continuous Audit report	75 - 116	JM
13.	Report on International partnerships	117 - 140	JM
14.	Internal Audit draft plan 2018/19 (to approve)	141 - 164	JM
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<i>No.</i>	<i>Item</i>	<i>Pages</i>	<i>Presenter</i>
Other matters			
17.	Annual debt write off (to approve)	207 - 208	RF
18.	Emergency planning report and action plan	209 - 230	ES
19.	GDPR compliance update	231 - 234	JS
20.	Anti-fraud policy review	235 - 244	NF
21.	Anti-fraud, bribery and corruption report	245 - 246	RF
22.	TRAC(T) return to OfS (to ratify)	247 - 260	RF
23.	Speak up report	261 - 262	JS
24.	Audit Committee business plan	263 - 266	JK
25.	Matters to report to the Board following the meeting		JK

**Date of next meeting
4.00 pm on Thursday, 4 October 2018**

Members: Steve Balmont (Chair), Duncan Brown and Mee Ling Ng

Apologies: Shachi Blakemore

In attendance: David Phoenix, Natalie Ferer, Richard Flatman, James Stevenson, Joe Kelly, David Mead (item 8), Pat Bailey and Ed Spacey (items 6, 7 and 18)

Auditors: Justin Martin, Lucy Gresswell, Fleur Nieboer and Jack Stapleton,



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**Minutes of the meeting of the Audit Committee
held at 4.00 pm on Thursday, 8 February 2018
1B16 - Technopark, SE1 6LN**

Present

Steve Balmont (Chair)
Duncan Brown
Mee Ling Ng

Apologies

Shachi Blakemore
Richard Flatman
Fleur Nieboer

In attendance

David Phoenix
Natalie Ferer
James Stevenson
Joe Kelly
Justin Martin
Lucy Gresswell
Jack Stapleton
David Mead
Craig Girvan
Mandy Eddolls
Richard Duke
Lisa Upton

1. Welcome and apologies

The Chair welcomed members to the meeting. Apologies were noted, as above.

The Chair noted that Roy Waight had resigned from the committee due to pressure of other commitments. On behalf of the committee, the Chair formally thanked him for his contribution and service to the committee and LSBU.

2. Declarations of interest

No conflicts of interest were declared for any item on the agenda.

3. **Minutes of the previous meeting**

The committee approved the minutes of the meeting of 9 November 2017 and their publication.

4. **Matters arising**

The committee noted the matters arising.

5. **Internal audit progress report**

The committee discussed the internal audit progress report from PwC.

The committee noted the internal auditors had completed over 60% of the audit plan. The internal auditor noted management's support in providing access and responses to queries. No material weaknesses were reported.

6. **Fire Safety report**

The committee discussed the Fire Safety report from PwC.

The committee noted that weaknesses identified in evacuation to fire alarms had been followed up appropriately by management. The committee requested a progress report at its meeting on 7 June 2018.

The committee noted an appropriate response by management following the Grenfell fire. Student Halls of Residences are subject to regular fire drill practice, and the committee noted the existing good relationship between LSBU's health and safety team and the Fire Service. LSBU has identified the need to focus on higher response rates to evacuation procedures by its tenant population.

7. **UKVI audits report**

The committee noted the report and plan for UKVI audit compliance.

The committee noted the progress in addressing the recommendations of the audits by Penningtons and Eversheds. The committee requested a further progress report at its meeting on 7 June 2018.

The committee noted Penningtons will conduct an annual audit across the University: the next one is due in autumn 2018.

8. **Speak up report**

The committee noted the Speak Up report. No new issues had been raised since the last meeting.

No further information had been received from Safecall with regard to the alleged bullying incident that had been previously reported anonymously: further follow up is therefore not possible at this time.

The SBUEL staffing matter is under review by the Chair, who will consult with the Executive Director of People and Organisation before finalising his report.

9. **Prevent and LSBU employee update**

The committee noted the Prevent report and the LSBU employee update.

The committee noted that serious criminal charges had been made against an LSBU employee. No evidence had emerged of LSBU students or staff having been affected, and none of the charges relate to incidents on LSBU premises. The committee noted that a communications plan to students and staff advised of available support for anyone who may have been affected.

The committee noted that due HR process had been followed and that HEFCE had been informed. The Emergency Response Team will provide a summary report to the committee once any judicial process has been concluded.

The committee noted that the employee's role was being covered by another member of staff.

10. **Student Data report**

The committee discussed the continuous audit report on student data from PwC.

The committee noted the findings were routine and consistent with the previous period and that major controls have been improved.

The committee noted weaknesses in the application process that allows applicants to complete their application without confirming any relevant criminal convictions. The application process is currently provided by a third party and LSBU is developing its own process over which it will have full control.

The committee requested an update at its meeting in October 2018.

11. **Key Financial Systems report**

The committee discussed the continuous audit review of key financial systems 2017/18 (phase 2).

The committee noted some risks under accounts payable and receivable had moved from green to red. The committee noted that management actions had already addressed these risks.

The committee requested an update on management responses to recommendations at its meeting on 7 June 2018.

12. ICT risk diagnostic report

The committee discussed the ICT risk diagnostic report.

The committee noted the ICT action plan and the improvements already delivered. The committee requested further updates at its meetings on 7 June 2018 and 4 October 2018.

13. Anti-fraud, bribery and corruption report

The committee noted the anti-fraud, bribery and corruption report. No issues had arisen since the last Audit Committee meeting.

The committee noted the incident response report relating to a (non-significant) fraud committed in relation to payroll. The committee noted the responses taken were appropriate and that the executive considered it was not necessary to report the matter to HEFCE.

14. Corporate risk register

The committee discussed the corporate risk register.

The committee noted a proposed new framework for presentation of the corporate risk register that presents a higher-level view than the current management format. The committee was supportive of the new approach but requested further consideration on:

- (i) identifying direction of travel on risks (RAG)
- (ii) use of appendices where low level details are required.

The committee noted the expansion of LSBU operations both locally and internationally and requested a review of risks associated with stakeholder / partner management and LSBU's reputation.

15. Progress report - external auditors

The committee noted the progress report. No concerns were reported.

16. South Bank Academies Audit report

The committee noted the South Bank Academies (SBA) audit report.

The committee noted that the report recommendations have been addressed by SBA management, supported by the LSBU finance team. The LSBU Finance Team continues to monitor progress. The committee noted that SBA accounts are not consolidated with those of LSBU.

The committee noted the Group Structure Committee recommendations on developing LSBU-wide integrated back office services to include SBA. The committee supported the principal of a group audit function.

17. **CLA audit report**

The committee noted the positive Copyright and Licensing Agency report.

18. **Data assurance report**

The committee noted the Data Assurance report.

The committee noted the improvements so far achieved and that implementation of GDPR compliance and the student LEAP project will contribute to attaining the required standards.

19. **GDPR update**

The committee noted the GDPR update and PwC's special characteristics report.

The committee noted a new Data Protection Officer will take up post in February 2018.

20. **Annual efficiency return**

The committee ratified the Annual Efficiency Return which had been reviewed by the Chair in advance of submission to HEFCE. This report replaces the Value for Money return.

The committee requested a committee member review subsequent reports prior to submission.

21. **Finance and Management Information (FMI) structure and leadership team**

The committee noted the Finance and Management Information team structure update.

22. **TRAC return to HEFCE**

The committee ratified the TRAC return to HEFCE which had been reviewed by a committee member prior to submission.

23. **Audit Committee business plan**

The committee noted its annual business plan.

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

The committee noted the following reports would be reported to the Board:

- (i) Internal audit progress
- (ii) South Bank Academies
- (iii) UKVI audits

25. **Any other business**

The committee noted HEFCE's risk letter had not yet been received*. In addition, HEFCE had requested the Audit Committee's annual report to include reference to the Student Loan Company; this has now been rectified. HEFCE is expected to note the need to keep them updated on discussions with Lambeth College.

{*Secretary's note: HEFCE letter subsequently received and reported to the Board of Governors at its meeting of 15 March 2018.}

Date of next meeting
4.00 pm, on Thursday, 7 June 2018

Confirmed as a true record

..... (Chair)

AUDIT COMMITTEE - THURSDAY, 8 FEBRUARY 2018
ACTION SHEET

Agenda No	Agenda/Decision Item	Action	Officer	Action Status
6.	Fire Safety report	Report on status of management responses to 7 June 2018	Pat Bailey	On agenda
7.	UKVI audits report	UKVI audits - progress update to meeting on 7 June 2018	Pat Bailey	On agenda
8.	Speak up report	Meeting re Speak up	Steve Balmont, Mandy Eddolls	Completed On agenda
9.	Prevent and LSBU employee update	Update to committee on relevant developments re LSBU employee / judicial process	Pat Bailey	Verbal update Carried forward
10.	Student Data report	Report to 4 October 2018 re status of management responses (post new academic year recruitment)	Lisa Upton	On forward agenda
11.	Key Financial Systems report	update on management responses to recommendations at its meeting on 7 June 2018	Richard Flatman	On agenda
12.	ICT risk diagnostic report	Progress reports to committee on 7 June 2018 and 4 October 2018	David Mead	On agenda
14.	Corporate risk register	Further development of new reporting format (i) RAG or 'progress' system (ii) use of appendices	Richard Flatman	On agenda
		Review stakeholder / partner management risks	Richard Flatman	Completed

Agenda No	Agenda/Decision Item	Action	Officer	Action Status
19.	GDPR	Regular progress reports on compliance project	Governance Team	On agenda
20.	Annual efficiency return	Committee member to review AER prior to submission	Governance Team	On committee forward business plan

	CONFIDENTIAL
Paper title:	Audit Committee composition
Board/Committee:	Audit Committee
Date of meeting:	7 June 2018
Author:	Joe Kelly, Governance Officer
Sponsor:	Steve Balmont
Purpose:	For discussion and approval
Recommendation:	<p>The Committee is requested to:</p> <ul style="list-style-type: none"> (i) note Duncan Brown as Chair of Audit Committee from 1 January 2019; (ii) confirm the additional skills required for the Committee and initiate recruitment of new members through the Chair of the Board.

Executive Summary

Composition of Audit Committee 2017/18

Name	Position	End of term	Relevant expertise
Steve Balmont	Governor	31.07.19 (3 rd)	Pensions
Mee Ling Ng	Governor	11.03.21 (2 nd)	Governance, Health
Shachi Blakemore	Governor	31.03.19 (1 st)	Chartered Accountant
Duncan Brown	Governor	31.07.21 (1 st)	Chartered Accountant and pensions
Roy Waight	Co-opted member	Resigned 12.01.18	Audit and risk, internal control

Chair succession planning

Steve Balmont, Chair of Audit Committee, will reach the end of his two-and-a-half terms as a Governor in July 2019. The Chair of the Board, in consultation with the Chair of Audit Committee, recommends Duncan Brown to take over as Chair of Audit Committee on 1 January 2019. Steve Balmont will continue as a member of the Audit Committee until his retirement as a governor in July 2019.

Skills audit

The Committee currently has members with finance skills and expertise in chartered accountancy and pensions. The Chair of the Board and Chair of Audit Committee consider the additional skills required of the Committee to be audit, internal control and risk, and ICT. Accounting experience at a senior level outside of practice and knowledge or experience of Higher Education is also desirable. This will be taken into consideration as part of current independent governor recruitment and Audit Committee co-optee recruitment.

The Committee is requested to:

- (i) note Duncan Brown as Chair of Audit Committee from 1 January 2019;
- (ii) confirm the additional skills required for the Committee and initiate recruitment of new members through the Chairs of the Board and Committee.

	CONFIDENTIAL
Paper title:	Update Report on Management of Fire Safety
Board/Committee	Audit Committee
Date of meeting:	7 June 2018
Author:	Dr. Markos Koumaditis, Ed Spacey, Dave Garioch (Health, Safety and Resilience - HSR)
Executive/Operations sponsor:	Pat Bailey – Deputy Vice Chancellor
Purpose:	For Information; to update the Committee with fire safety improvements
Recommendation:	Committee is requested to note: <ul style="list-style-type: none"> • the report and progress made

Executive Summary

To provide the Audit Committee with an update report on the actions being taken to improve fire safety arrangements.

Update Report on the Management of Fire Safety

1. Fire risk assessments have been reviewed for London Road and Borough Road buildings, with significant improvement works carried out by Estates and Academic Environment. Additionally, new fire risk assessments have been undertaken by an external consultant, chosen due to the previous quality of work carried out post Grenfell and works on Government buildings, for:

- Caxton House
- David Bomberg
- E, J & M Blocks
- Faraday Wing
- Keyworth
- K2
- LRC
- Perry Library
- Technopark

2. The Consultants reported, in the FRAs:

“Although deficiencies were identified during the assessments, it is evident that Mr. Ed Spacey and his team are making good progress to improve fire safety campus wide, with plans to make further improvements, with the aim to reach, so far as is possible, full compliance within a year.”

3. Summary of Issues from Fire Risk Assessments

There were only 2 substantial issues, one for a small store room in E Block, and another for the use of the Anechoic (soundproof) Chamber. These have both been addressed.

Area of concern	Level of concern	Action	Owner	Resolution Date
Means of escape from fire (E Block small store room)	Substantial	Prevent access until escape route created	EAE	Temporary resolution in place
Means of giving warning of fire (Anechoic Chamber)	Substantial	No lone working, Risk assessment now in place	EAE	Detective device with sounder already in place in FW07.
Housekeeping	Moderate	Tidy up, do not store items in protected corridors or stairwells	EAE / Schools / PSGs	July 2018
Means of escape from fire	Moderate	Limit numbers in rooms, repair emergency voice communications, improve door furniture, remove	EAE, ICT	July 2018 – May 2019

Area of concern	Level of concern	Action	Owner	Resolution Date
		combustibles for primary escape routes,		
Confinement and development of fire	Moderate	Repair fire doors, fill holes in walls	EAE, ICT	July – December 2018
Means of giving warning of fire	Moderate	Improve automatic detection in high risk areas, confirmation alarm can be heard	EAE	July 2018 – May 2019
Management of fire safety	Moderate	Improve record keeping, procedures for liaising with tenants for fire safety	EAE	July – December 2018
Staff training and fire drills	Moderate	Introduce new evacuation procedure	HSR	September 2018
Emergency escape lighting	Moderate	Record monthly function tests and complete outstanding repairs	EAE	September 2018
Portable fire-fighting equipment	Moderate	All tested and in date	EAE	31/5/2018
Automatic suppression systems	Moderate	Review usefulness due to change of area use	EAE	May 2019
Heating installations	Moderate	Service certificate available	EAE	18/5/18
Lightning protection	Moderate	Regular periodic maintenance	EAE	December 2018
Electrical sources of ignition	Moderate	Reduce reliance on extension leads	EAE / Schools / PSGs	May 2019

Area of concern	Level of concern	Action	Owner	Resolution Date
Fire exit signs and notices	Moderate	Update signage	EAE / HSR (for instruction on Refuge Call Points / PEEP)	September 2018

4. The HSR team have been creating bespoke zonal fire action plans for all the buildings, see below. Zone Armbands at the ends of each zone are collected by the evacuation assistant, who then inform the Fire Co-ordinator if the zone is cleared, or if help is required. The Fire Co-ordinator liaises with the Fire Brigade in the event

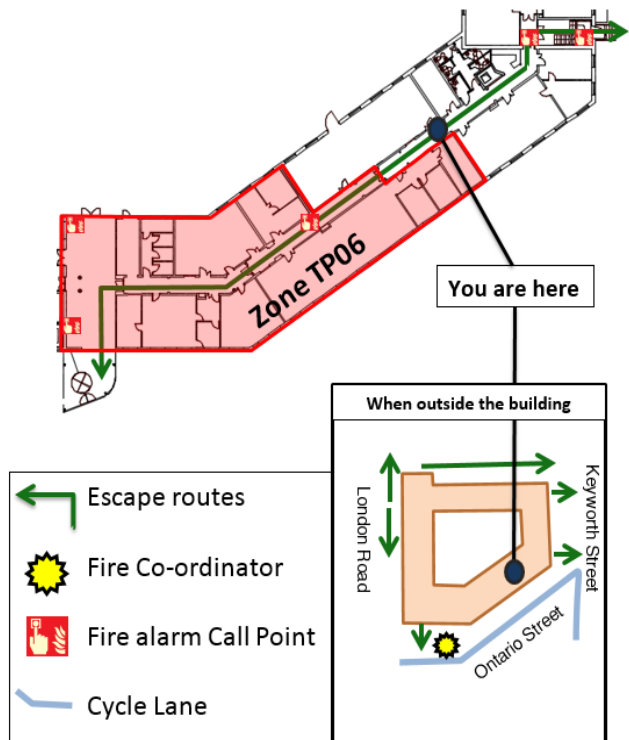
Fire Action Plan

On discovering a fire:

- raise the alarm by setting off the fire alarm, as this will give building occupants the most time to get out safely;
- after setting off the alarm, as soon as in a safe place, contact security on **6666** (internal) or **020 7815 6666** (external/mobile phone) to report details about the fire.

On hearing the fire alarm:

- leave building by nearest safe exit route;
- if in charge of staff, students or visitors escort or direct them out of the building;
- do not stop to collect personal belongings;
- walk quickly and calmly; do not run;
- if you can, close doors and windows;
- do not take risks;
- if Evacuation Assistant report to Fire Co-ordinator;
- take care if crossing the cycle lane;
- disperse to a safe area at least 100m from the building;
- stay away from the building for about 10 minutes;
- only re-enter when told, by a responsible person, it is safe to go back in.



of a real fire.

5. To support the revised policy and procedures, the team have also developed training for Evacuation Assistants and Fire Co-ordinators. Staff in Technopark and the Havering campus have been trained. The new fire evacuation procedures will be trialled at Technopark at the beginning of June. The results of this will helping to refine the training for staff and managers along with the development of other building zonal areas.
6. The new procedures will be in place across the campus by the end of September 2018. In addition to the face-to-face training other media will be used to help staff understand the new roles, including video training and webinars.

7. Following the PwC Audit the senior management of Estates and Academic Environment have developed a process to address the regular updating of the Fire Risk Assessment Action Plans. The HSR team will continue to monitor progress as part of their compliance role.

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	CONFIDENTIAL
Paper title:	Report on UK Visas and Immigration (UKVI) Issues
Board/Committee	Audit Committee
Date of meeting:	7 June 2018
Author:	Dr. Markos Koumaditis, Acting Director of People and Organisation, and Ed Spacey, Acting Deputy Director of HR Services
Executive/Operations sponsor:	Pat Bailey, Deputy Vice Chancellor
Purpose:	To update the Audit Committee on UKVI developments, following the previous report of 8 February 2018.
Recommendation:	The committee is requested to note this report.

1.0 Background and Purpose

- 1.1 This paper is to update the Audit Committee of the progress made in dealing with UK Visas and Immigration issues, since the previous report of 8 February 2018.
- 1.2 The earlier report highlighted that in September 2017 two postgraduate students on Tier 4 visas were found to have worked more than the maximum 20 hours per week permitted by their visas. This had been reported to the Home Office, and LSBU subsequently commissioned a file review and advice from Immigration Solicitors.
- 1.3 Actions identified within the Immigration Solicitors file review have been fully completed.

2.0 Home Office

- 2.1 The Home Office can audit and inspect our UKVI processes, and they retain the ultimate right to downgrade our licence and issue an action plan of improvement, or remove our licences to sponsor international workers.
- 2.2 It is vital that we can demonstrate effective compliance at all times, and so significant work has continued since February to ensure we have appropriate measures in place.
- 2.3 The Home Office has not made any request to carry out a UKVI audit or visit to date. However we should not be complacent, and should expect that at some future point we will be inspected.

3.0 Further actions taken:

- A concise UKVI training video has been produced in order to help raise staff awareness and will be launched by the end of June 2018;
- A new detailed UKVI procedure manual has been produced within People and Organisation, to accompany the launch of the new video above;
- A UKVI page on the staff intranet is under development;
- Further UKVI face to face training for staff took place on 18 May, delivered by an external firm of solicitors;
- People and Organisation has continued to carry out briefings across Schools and Professional Service Groups about the importance of UKVI;
- A new electronic system (VT2000) has been procured by People and Organisation, which enables more efficient and effective pre-authorisation checks of advance hours to be worked by Hourly Paid Lecturers. This is being tested with expected roll out due in September 2018. It will further address recommendations in the Penningtons Solicitors Report to ensure effective compliance of Hourly Paid Lecturers on visas;
- The Acting Director of People and Organisation receives a monthly summary report of all issues relating to UKVI across HR.

4.0 Governance and Co-ordination:

- The Pro Vice Chancellor (Research and External Engagement) has been appointed the new Executive lead for UKVI;
- Meetings have been scheduled via the PVC (Research and External Engagement) to further bring together all of the key UKVI stakeholders across the organisation, to ensure a joined up comprehensive approach.

5.0 Recommendation

- 1. That the Audit Committee endorses the continuing progress made in this area.**

Agenda Item 8

	CONFIDENTIAL
Paper title:	ICT risk diagnostic update
Board/Committee	Audit Committee
Date of meeting:	7 June 2018
Author:	David Mead, Director, Academic Related Resources
Executive/Operations sponsor:	Shan Wareing, PVC Education and Student Experience
Purpose:	For information
Recommendation:	The Committee is requested to note the update on management responses.

Executive Summary

In June 2017 internal auditors PwC were commissioned to carry out a risk diagnostic of ICT Operations. The PwC report was received at the Audit Committee meeting on 8 February 2018 and the Committee requested an update on management actions at its meeting on 7 June 2018. The update report is attached.

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1. Background

1.1. In June 2017 auditors PwC were commissioned to carry out a risk diagnostic of ICT Operations. The PwC report, received at the Audit Committee meeting on 8 February 2018, scores LSBU ICT risks based on evidence shown at the time of the diagnostic. The scoring is benchmarked with other organisations from Education, Utilities, Local Government, Professional Services, Telecommunications, Construction, Transportation, Information Technology, Leisure and Media.

1.2. The diagnosis looked at 7 areas and provided an overall risk score for each:

Area	Overall level of risk
IT Strategic decision making	Medium
IT Governance	High
IT Management	Low
System Quality	Medium
System Support & Change	High
IT Operations	High
Information Security	Medium

2. Action Plan and Governance

2.1. The diagnostic has provided a good baseline for us to review where we are focusing our resources. An action plan and the progress made against it was presented to the Audit Commission in February 2018 and this paper provides a further update on the progress against the action plan as at May 2018.

2.2. The delivery of the action plan is being co-ordinated by the internal ICT Senior Management Team meeting. All actions have a completion target date and as of May 2018:

- 13 of the 24 actions were complete.
- 6 of the 24 actions are on track to complete by their original timeframe.
- 5 of the 24 actions now have a revised timeframe and these are highlighted in amber on the action plan over the page.

Audit action plan – Owned by LSBU ICT Senior Management Team

Version: January 2018

Green = on track or complete. **Amber** = revised timescale

Ref	Area	Risk identified	Action	Action status
1	IT Strategic decision making- Medium Risk Area	The lack of defined responsibilities may lead to either delays in decision making or sub-optimal decision making, resulting in IT being unable to deliver on its strategic objectives	Governance Board now operational with terms of reference and attendees agreed- Board chaired by Exec member. We are currently creating a formal RACI template to ensure clarity of roles and responsibilities.	Complete To complete- June 18
2	IT Strategic decision making- Medium Risk Area	The absence of mapped interdependencies across people, processes and technology increases the risk that an issue with/or change to a particular IT component may adversely affect other systems, which may lead to severe disruption of IT services.	Work has been commissioned to document the systems and architecture.	To complete February 2018 May 18 update- <i>We now have a systems overview that sets out all our application, who owns them, when they are used and the infrastructure they are on. We will next develop further detail of architecture as part of the LEAP programme which will map the field by field interdependencies of our key systems and the minor systems linked to them. To complete by January 19</i>
3	IT Strategic decision making- Medium Risk Area	The absence of consistent management information around sustainability may result in inconsistent/inaccurate reporting which could lead to a lack of awareness around the effectiveness of IT sustainability measures.	Sustainability Management information dataset to be created.	To complete in June 2018 May 18 update- <i>Consumption dataset created. A refresh will take place with new infrastructure to monitor consumption reduction. This is due in September 18.</i>

Ref	Area	Risk identified	Action	Action status
4	IT Governance-High Risk Area	Responsibilities and accountabilities may not be known and understood across the organisation, resulting in disruption to the University's services in case of an incident.	Major Incident plan has now been revised and updated and is regularly communicated.	Complete
5	IT Governance-High Risk Area	The absence of effective communication of identified actions from governance forums may lead to a lack of clarity in delivering services. As a result, business needs might not be addressed effectively or in a timely manner.	Bi-monthly meetings have been set up for sharing information as appropriate throughout all of ICT services.	Complete
6	IT Governance-High Risk Area	The absence of up-to-date IT policies increases the risk of ineffective mechanisms for managing information security activities, resulting in security breaches, major outages and /or reputational issues.	We have implemented several policies through the development of ITIL. This continues to mature and further policies added. A third party is also engaged to help with process documentation.	To reach level 3 ITIL maturity by July 18 Major incident plan in place. Security policy review to be completed by new Head of IT Security. Oct 18
7	IT Governance-High Risk Area	Insufficient assessment and monitoring of IT risks can result in inadequate process controls being implemented to mitigate disruption to the IT applications and infrastructure that support the University's services.	A risk and issues log is now integral to the weekly ICT SMT meeting.	Complete
8	IT Governance-High Risk Area	The absence of formalised SLAs may result in a misalignment of expectations between IT and the business, resulting in a degradation of IT service quality.	SLAs being developed. The data network access SLA is now in place. The Roadmap governance Board is now in place to manage expectations on project priorities and timescales.	To complete by September 2018 May 18 update- <i>Priority matrix now live that sets out timing to respond to incidents/ requests.</i> <i>Next stage to communicate SLAs.</i>

Ref	Area	Risk identified	Action	Action status
9	IT Management- Low Risk Area	The absence of a formalised and signed off asset management policy increases the risk that the degree of compliance may deteriorate and inappropriate or incorrect actions may be taken, increasing the likelihood of disruption to services.	Now signed off at Operations Board July 2017.	Complete
10	Systems Quality- Medium Risk Area	The absence of robust BI for all key systems may lead to an inability to produce adequate reporting resulting in ineffective decisions being made by senior management and consequently financial losses or poor business performance.	To review once we have output from systems and architecture work due to complete in March 2018	Complete <i>We now have a complete BI overview of all our systems that is informing our cloud strategy.</i>
11	Systems Quality- Medium Risk Area	The failure to effectively capture and identify project related risks and to design appropriate mitigating controls in a formalised project risk register increases the risk of financial, operational, regulatory and reputational impact.	Risk registers in place for all projects. Projects are reviewed weekly at the ICT SMT which includes looking at barriers and key risks.	Complete
12	Systems Support and Change	The absence of formalised and widely shared lessons learned processes increases the risk of a repeat of issues that could have been prevented.	Major Incident Reports cover lessons learnt. Projects now incorporate lessons learnt report upon closure.	Complete
13	Systems Support and Change – High Risk Area	The existence of skills shortages may lead to knowledge gaps and consequently may result in an inability of IT to support the business resulting in prolonged outages and business disruption.	Workforce plan being developed and staff are attending training courses as identified through appraisal and management meetings. Reducing the amount of technology we have to reduce the knowledge requirement across the service.	To complete in December 2018 <i>Workforce plan live and training has been taking place as part of a rolling programme. This will continue as we commission new systems and decommission old systems.</i>

Ref	Area	Risk identified	Action	Action status
14	Systems Support and Change – High Risk Area	The lack of user education will lead to inefficiencies in the work force as employees are unsure of the best channels to seek support or they may use systems without the appropriate knowledge. This could result in major outages or a low quality of service.	Digital Skills centre set up to support staff with the introduction of new systems. The recently approved asset policy sets out that all ICT purchases should be made centrally allowing better control. The new Data network SLA sets out all contact details.	Complete
15	Systems Support and Change – High Risk Area	The lack of robust end-to-end testing could result in critical issues not being tracked and tested, increasing the likelihood of problems during release and implementation.	New projects include testing requirements as part of the capital scope.	Complete
16	Systems Support and Change – High Risk Area	In the absence of up-to-date architectural documentation sub-optimum investment decisions may be made where they contradict or do not enhance existing IT systems and processes.	Work has been commissioned to document the systems and architecture.	To complete May 2018 May 18 update- <i>We now have a systems overview that sets out all our application, who owns them, when they are used and the infrastructure they are on. We will next develop further detail of architecture as part of LEAP programme which will map the field by field interdependencies of our key systems and the minor systems linked to them. To complete by January 19.</i>

Ref	Area	Risk identified	Action	Action status
17	Systems Support and Change – High Risk Area	The absence of access controls mechanisms and processes regarding developer access to the production environment may lead to unapproved changes being implemented resulting in significant business disruption and financial or reputational losses.	Change Advisory Board (CAB) meets weekly and a policy is in place that makes sure all change requests are approved through the board.	Complete
18	IT Operations-High Risk Area	The high volume of legacy hardware increases the risk that effective support is not provided for the systems from vendors or staff, which may result in major outages or business disruption.	Hardware replacement is under review and a priority on our technical roadmap.	To complete in July 2018 On track- Dell infrastructure hardware replacement
19	IT Operations-High Risk Area	The absence of DR/BCP testing increases the risk of an inability to restore services in a timely manner which may result in major outages or business disruption. The current infrastructure makes testing infeasible.	A more reliable and robust effective DR/BCP is dependent on the work being done on the infrastructure under the datacentre strategy.	To complete in December 2018 On track- DR plan costed and programmed in for set up over Autumn 18.
20	IT Operations-High Risk Area	The absence of problem management procedures increases the risk that issues will not be mitigated in a timely manner, which may result in continued disruption to IT services.	Problem Management procedure now developed and will be implemented over the next few months	To complete in Sept 2018 Implementing process. Working within constrained resources which limits the amount of proactive work that can be done.
21	Information Security-Medium Risk Area	The absence of an information security team may lead to an unavailability of knowledge/resource and may result in an inability for IT to successfully secure its data.	The current capacity and capability is being reviewed.	Review complete New head of Information Security starts August 18. Matrix management of resources across ICT services.

Ref	Area	Risk identified	Action	Action status
22	Information Security-Medium Risk Area	In the absence of periodic access reviews, access to computing resources may not be revoked in a timely manner upon termination of employment, which increases the risk of malpractice from third parties, leading to potential financial, operational and reputational issues.	We have scoped a role based access control project that is on our technology roadmap as a priority.	To complete by August 2018 Working on role base analysis which will feed into an 18-19 project. To complete December 18.
23	Information Security-Medium Risk Area	The absence of document classification procedures increases the risk that during a document's lifecycle, sensitive information can be exposed to inappropriate personnel leading to reputational, financial, operational and or legal issues.	Training is provided to make staff aware of how to handle sensitive information. This is mandatory and constantly reviewed. To formally classify all documents we have would be an expensive undertaking so our approach is to mitigate the risk through training and awareness.	Complete

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Agenda Item 10

	CONFIDENTIAL
Paper title:	External Audit draft plan 2017/18
Board/Committee	Audit Committee
Date of meeting:	7 June 2018
Author:	KPMG
Executive/Operations sponsor:	Richard Flatman – Chief Financial Officer
Purpose:	To present the external audit plan for 2017/18
Recommendation:	Approve the audit plan for 2017/18

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External Audit Plan 2017-18

Contents

The contacts at KPMG in connection with this report are:

Fleur Nieboer
Partner, KPMG LLP

Tel: 07768 485 532
fleur.nieboer@kpmg.co.uk

Jack Stapleton
Manager, KPMG LLP

Tel: 07468 750 121
jack.stapleton@kpmg.co.uk

Alexandra Barrington
Assistant Manager, KPMG LLP

Tel: 07468 768 909
alexandra.barrington@kpmg.co.uk

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This report is addressed to London South Bank University ('the University') and has been prepared for the sole use of the University. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

Your audit summary

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Focusing our audit on your risks

We have commenced our audit planning and identified the following risks we will focus on:

Risk	Risk change	
Financial Statements		
Fixed assets	▲ Increase	Page 9
Valuation of net pensions liability	▲ Increase	Page 10
Revenue recognition	● Stable	Page 11
Management override of controls	● Stable	Page 12
Other Area of Audit Focus		
Overall financial position and going concern	● Stable	Page 13
Use of funds	● Stable	Page 14
South Bank University Enterprises Ltd.	● Stable	Page 15

Scope

Materiality

£2.8 million

Page 7

Reporting threshold

£140k

Page 7

Introduction

To the Audit Committee of London South Bank University

The main purpose of our audit, which is carried out in accordance with International Standards on Auditing (ISAs) issued by the Auditing Practices Board, is to issue a report to the Board of Governors which expresses our opinion on whether the financial statements:

- Give a true and fair view of the state of the affairs of the University as at 31 July 2018 and of the University's income and expenditure, gains and losses, changes in reserves and of the University's cash flows for the year then ended;
- Have been properly prepared in accordance with United Kingdom accounting standards (including FRS102) and with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education and the Companies Act 2006.
- Meet the requirements of HEFCE's Accounts direction to higher education institutions for 2017/18 financial statements.

We are also required to report on other matters prescribed in the HEFCE Audit Code of Practice issued under the F&HE Act 1992 as to whether:

- In all material respects, funds from whatever source, administered by the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation; and
- Funds provided by HEFCE have been applied in accordance with the Memorandum of Assurance and Accountability and any other terms and conditions attached to them.

How we deliver audit quality

Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion. Some of the ways in which we drive audit quality are demonstrated throughout our report and include:



Restrictions on distribution

This report is intended solely for the information of those charged with governance of the University and the report is provided on the basis that it should not be distributed to other parties; that it will not be quoted or referred to, in whole or in part, without our prior written consent; and that we accept no responsibility to any third party in relation to it.

Subsidiaries

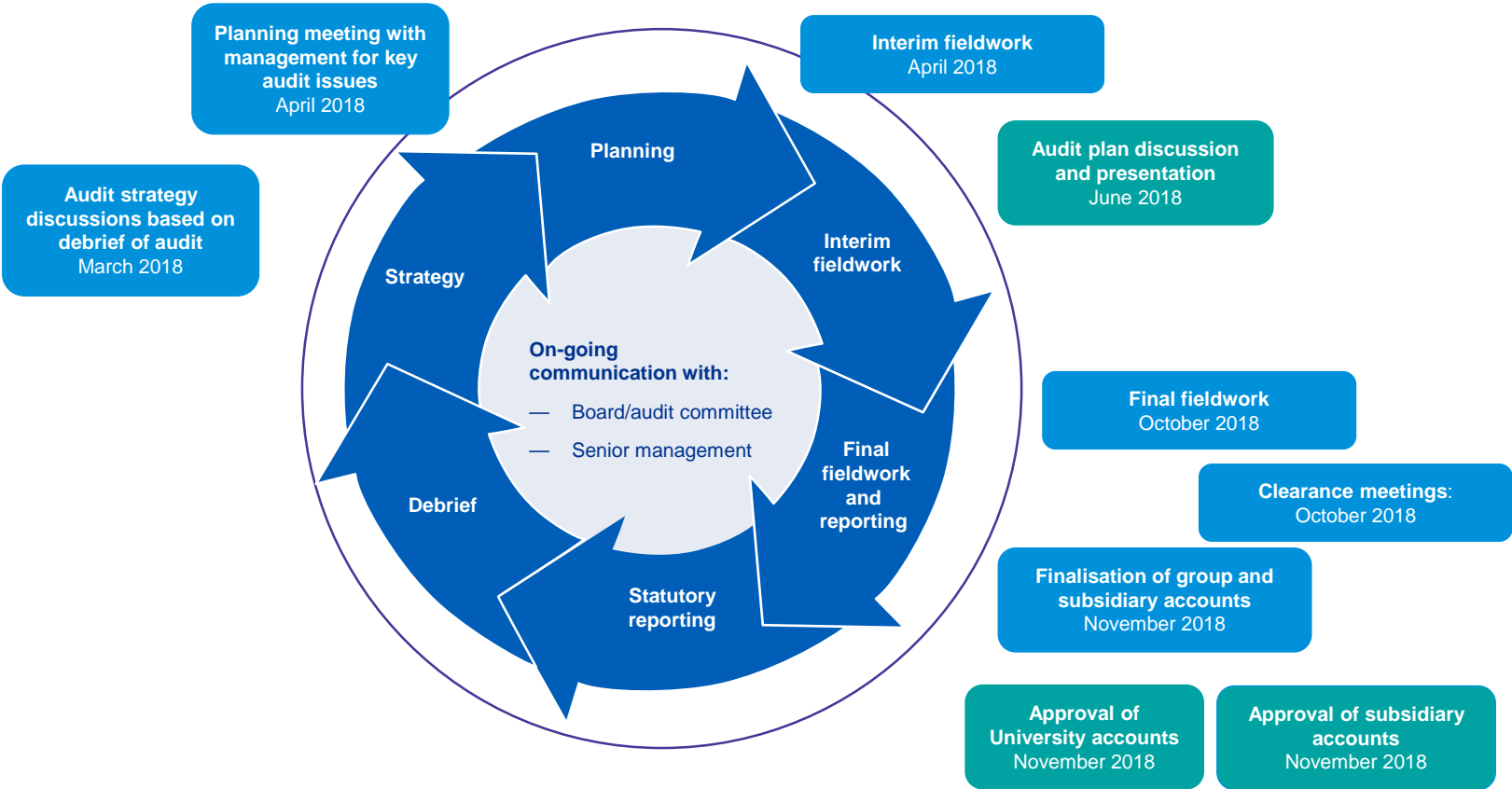
We will also report individually on the following subsidiary entity:

- South Bank University Enterprises Limited.

Audit cycle and timetable

Our audit cycle for 2018

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■ Key Events ■ Timing of AC Communications



University Materiality

Our materiality levels

Materiality represents the level at which we think misstatements will reasonably influence users of the University's financial statements. It considers both quantitative and qualitative factors. We have set our overall materiality level at £2.8 million for 2017/18

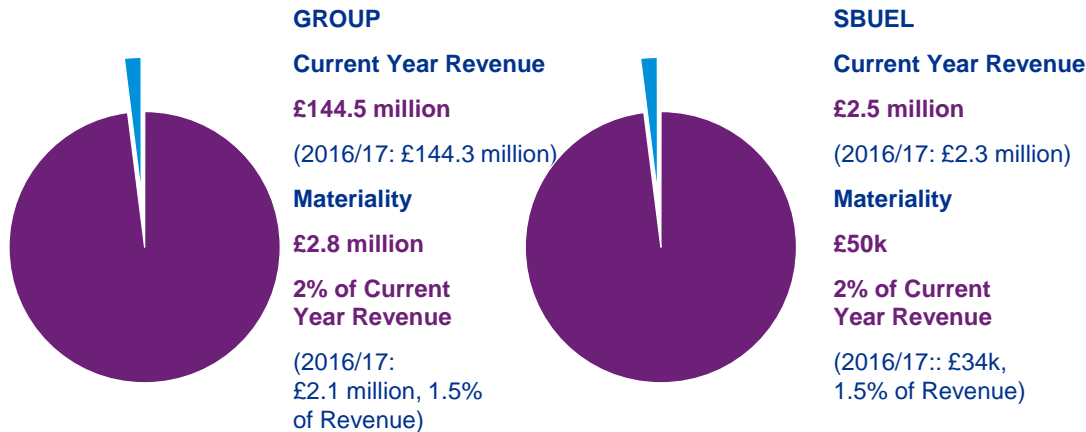
To respond to aggregation risk, we design our procedures to detect misstatements at a lower level of materiality. We have set this level at £1.95 million. We also adjust this level further downwards for items that may be of specific interest to users for qualitative reasons, such as directors' remuneration and audit fee. We propose to report all individual uncorrected audit differences above £140k to the Audit Committee.

We are required to plan our audit to determine with reasonable confidence whether or not the financial statements are free from material misstatement. An omission or misstatement is regarded as material if it would reasonably influence the user of financial statements. This therefore involves an assessment of the qualitative and quantitative nature of omissions and misstatements.




Generally, we would not consider differences in opinion in respect of areas of judgement to represent 'misstatements' unless the application of that judgement results in a financial amount falling outside of a range which we consider to be acceptable.

Materiality has been set at £2.8 million (PY £2.1 million) which is approximately 2% of total revenue. In the prior year we worked to a slighter lower overall materiality level due to the fact that it was our first year as your external auditors and had not previously assessed your control environment.

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We will report:

-  Corrected audit misstatements above £140,000 (LSBU) and £2,500 (SBUEL)
-  Uncorrected audit misstatements above £140,000 (LSBU) and £2,500 (SBUEL)
-  Errors and omissions in disclosure (corrected and uncorrected)

What is the impact of the identified significant risks and other areas of audit focus?

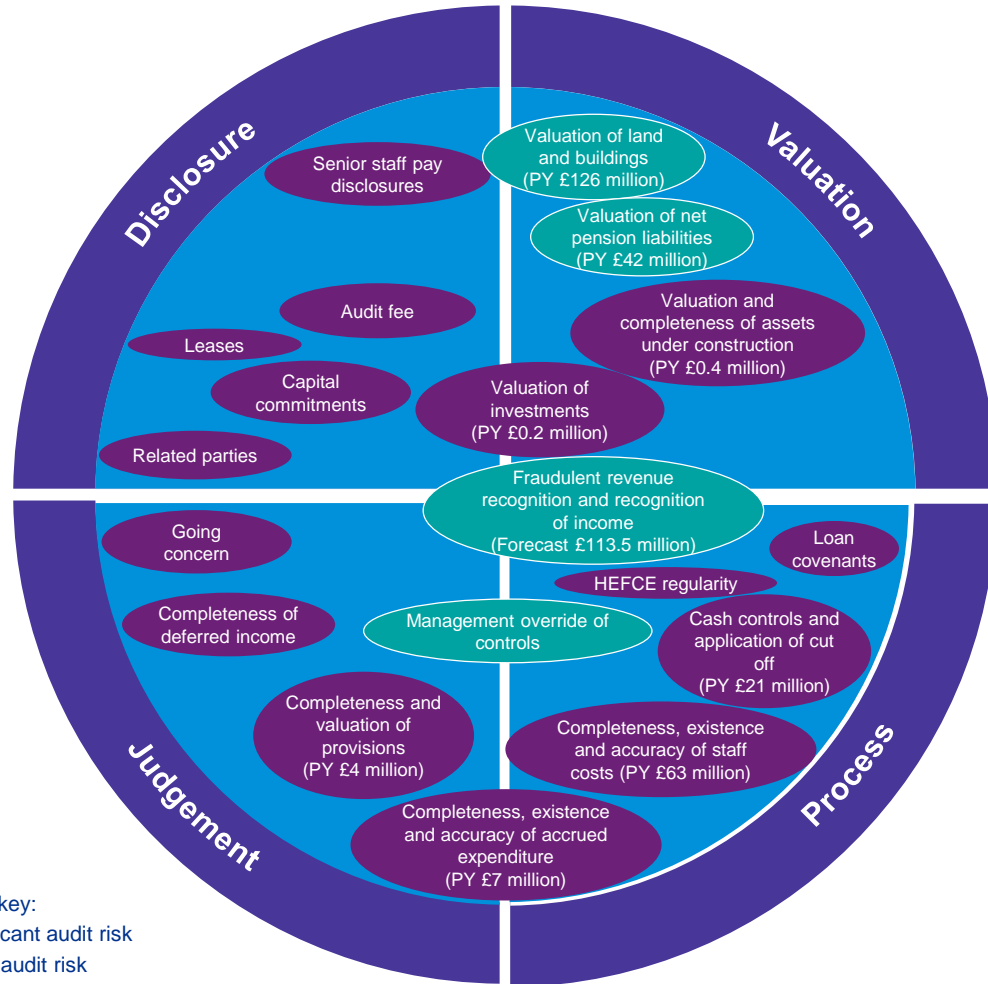
Our risk assessment draws upon our historic knowledge of the business, the industry and the wider economic environment in which London South Bank University operates.

Summarised opposite are those risks that we have considered as part of our audit planning process.

We also use our regular meetings with senior management to update our understanding and take input from local audit teams and internal audit reports.

We have outlined over the page why we believe each of these are relevant to our financial statement responsibilities for 2017-18 and what work we will undertake to address the risk.

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Significant risks and other areas of audit focus

Our risk assessment draws upon our historic knowledge of the business, the industry and the wider economic environment in which London South Bank University operates.

We also use our regular meetings with senior management to update our understanding and take input from local audit teams and internal audit reports.

We have shown the areas where we consider the risk to have increased from our assessment in the prior year

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Relevant factors affecting our risk assessment				
Significant risks	Size	Complexity	External scrutiny	Susceptibility to fraud/error
1 Fixed assets	H ↑	H ↑	M	H ↑
2 Net pension liability	H	H	H ↑	M
3 Revenue recognition	H	M	H	H
4 Management override of controls	M	H	H	H
Other areas of audit focus				
5 South Bank University Enterprises Ltd	L	M	L	L
6 Going concern	M	H	H	H
7 Use of funds	L	M	M	M

Audit risks and our audit approach

1 Fixed assets

Significant audit risk

At 31 July 2018 the University has £216.9m of fixed assets, £174.8m of which is land and buildings. The University adopted a valuation accounting policy of deemed cost as part of the FRS 102 transition there are risks around the valuation, depreciation and impairment of the University estate, together with a risk around the treatment of repair and refurbishment costs. The asset valuation and impairment review processes are both estimates and therefore present a higher level of risk to the audit.

The University has a capital plan to refurbish its London Road, Technopark and Perry Library sites and completing the St. George's Quarter development. The plan will take place in three phases, the first of which will result in £80m of capital spend, split across the refurbishment of London Road (£15m) and Project Leap, which is a £15m upgrade and improvement project for the student records system.

Planned response

To assess the completeness, accuracy, existence and presentation of fixed assets we will:

- Vouch the accuracy of any capital additions in the year to supporting documentation;
- Review the controls for fixed asset procurement;
- Review the appropriateness of the useful economic lives for a sample of assets and any impairments identified by the University, and recalculate the depreciation figure as stated in the accounts;
- Review the reconciliation that takes place between the University's fixed asset register and general ledger; and
- Consider the process for capitalising expenditure and review a sample of capitalised assets to assess whether they have been appropriately capitalised (specifically focussing on the St George's Quarter development).

Audit risks and our audit approach

2 Net pension liabilities

Significant audit risk

LSBU participates in three multi-employer defined benefit pension schemes – the Teachers' Pension Scheme (TPS); London Pension Fund Authority (LPFA) scheme; and the Universities Superannuation scheme (USS). The total value of the pension deficit in 2016/17 was £113.8m.

It is important that the assumptions included within the valuation of the schemes reflect the profile of the University employees, and are based on most recent actuarial valuation. It is also important that assumptions are derived on a consistent basis year to year.

The valuation of the liability relating to the USS is on-going pending finalisation of the new recovery plan, and therefore the basis of the calculation of the liability is subject to change.

Planned response

We will perform the following procedures:

- Evaluate the competency and objectivity of the Scheme actuaries to confirm their qualifications and the basis for their calculations;
- Review the inputs from the University into the calculation of the LGPS valuation;
- Review the appropriateness of the key assumptions made by, and validate the methodology used by, the Scheme actuaries with the use of a KPMG Actuary;
- Agree the total assets held in the LGPS at the year end to confirmation from the Fund's auditors'
- Review the accuracy of data submitted by the University to the fund administrator during the year;
- Obtain assurance over the effectiveness of controls in place at the fund administrator for the management of the membership data for new and existing members; and
- Review the actuarial valuation and consider the disclosure implications in the financial statements.

The assets for the pension funds detailed above are not included within the primary statements for the University, only the pension liabilities. However, the University is required to disclose the pension assets within a note to the accounts. We will review these disclosures to ensure that they are materially correct and have been appropriately disclosed within the accounts.

Audit risks and our audit approach

3 Revenue recognition^(a)

Significant audit risk

Professional standards require us to make a rebuttable presumption that the fraud risk from revenue recognition is a significant risk.

There is a risk of fraud and error associated with the recognition of tuition fee and education contract income, which represents approximately three quarters of total income. In particular, this includes income and cash recognition for flexible provision (for example on-line/distance learning courses), and courses that run across the year end.

Planned response

Tuition fee income

We will review the completeness of fee income through reconciliations with the student record system and confirm the appropriateness of bursary/scholarship and fee waiver recognition through review of relevant schemes and policies.

We will review the procedures in place regarding the determination of tuition fee income and consult with our KPMG specialists to determine whether Data and Analytics procedures can be used to provide assurance over tuition fee income.

We will also review the income recognition for programmes crossing the year end and any other flexible provision, as well as considering the income recognition and debtor recoverability.

Funding council income

Although we have rebutted the presumed risk of fraud from revenue recognition in respect of grant income from Office for Students (formerly HEFCE) we remain alert to indications of fraud during the course of the audit. We will also consider the risk of clawback of grant income.

Other operating income

We will carry out substantive procedures over other operating income based upon the nature of the income to confirm the completeness and accuracy of the income.

Note: (a) Significant risk that professional standards require us to assess in all cases.

Audit risks and our audit approach

4 Management override of controls^(a)

Significant audit risk

Professional standards require us to communicate the fraud risk from management override of controls as significant.

Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

We have not identified any specific additional risks of management override relating to this audit.

Planned response

Our audit methodology incorporates the risk of management override as a default significant risk. In line with our methodology, we will test the operating effectiveness of controls over journal entries and post closing adjustments.

We will analyse all journals through the year using data and analytics and focus our testing on those with a higher risk, such as journals impacting revenue recognition.

We will also assess the appropriateness of changes compared to the prior year to the methods and underlying assumptions used to prepare accounting estimates,

We will also review the appropriateness of the accounting for significant transactions that are outside the University's normal course of business, or are otherwise unusual.

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Note: (a) Significant risk that professional standards require us to assess in all cases.

Audit risks and our audit approach

5 Overall financial position and going concern

Other areas of audit focus

The University's budget for 2017-18 indicated that the University was forecasting a surplus of £1.5 million for the year-ending 31 July 2018.

Despite shortfalls in full time undergraduate student recruitment against target, management are still forecast to achieve their budgeted surplus due to increases in overseas student recruitment and reductions in staff costs.

Notwithstanding these variances, the University continues to maintain healthy cash reserves and continues to monitor their working capital requirements based on their development and organisational needs.

Planned response

- We will review the University's overall financial position at the year-end as part of our review of the financial statements. Specifically, we will consider the University's final outturn compared to the M6 forecast position, with particular reference to income recognition, the continued impact of the new fees and funding regime, and the performance of the University's commercial activities.
- We will continue to look at the budgetary control framework the University has in place and how performance is tracked throughout the year.
- We will review the financial forecasts and student recruitment information for 2018/19 during our final audit visit.

At the time of preparing this plan, there have been no issues identified that would suggest that the University would not be able to continue to operate as a going concern.

Audit risks and our audit approach

6 Use of funds

Other areas of audit focus

As in previous years, we are required to issue an opinion on the University's use of HEFCE and other funds in line with the Memorandum of Assurance and Accountability and audit code of practice.

Planned response

Our audit of regularity will be conducted in accordance with Practice Note 10 (revised): Audit of financial statements of public sector entities in the United Kingdom, issued by the Auditing Practices Board. Our approach to completing the regularity audit will be to obtain a sufficient understanding of the framework under which the University operates, and to test compliance. In particular, this means gaining assurance that income and expenditure transactions are in accordance with appropriate authorities, including those of the Office for Students, and that the accounting presentation and disclosure conforms to applicable statutory and other requirements.

We have developed a regularity programme to ensure compliance with the requirements, and in addition our testing of controls and substantive items of expenditure will ascertain whether in all material respects funds have been used for the purposes given (including donations and all sources of grant funding).

Planning your subsidiary audit

Here we explain our approach to our audit of South Bank University Enterprises Ltd.

Entity	Reporting framework	Our audit approach	Significant Risks and Materiality
South Bank University Enterprises Ltd.	Subsidiary South Bank University Enterprises Ltd is required to produce accounts in accordance with the Companies Act 2006. The accounts require filing by 30 April 2018.	We have determined an appropriate level of materiality for our audit of SBUEL using income as the most relevant measure. We expect our materiality to be £50,000 and will report all audit differences over £2,500.	We have identified the following key areas of risk associated with our audit of these financial statements: <ul style="list-style-type: none"> — Income and revenue recognition; and — Management override of control.

Data and analytics

Intelligent use of technology

This year we will be integrating Data & Analytics (D&A) procedures into our planned approach.

By allowing us to analyse large volumes of financial information we can enhance our understanding of your business, enabling us to design procedures that better target risks of material misstatements to the financial statements. In addition, this may provide you with valuable additional insight about your business.

Data & analytics – Substantive testing

Tuition fee income

We will use Data & Analytics to check completeness and accuracy of the tuition fee revenue stated within the financial statements. This will analyse the student type and fee per module to identify exceptions.

Journals

We will use Data & Analytics to check completeness of the journals population and to focus our testing over high risk manual journals, which are more susceptible to creating a misstatement in the financial statements due to fraud or error.

IT audit approach

In the prior year, we chose not to place reliance on IT controls as we adopted a substantive testing approach. If we conduct data analysis routines over tuition fee income we will review the IT controls that allow access to the University's student records system.

The initial IT audit fieldwork will take place during the interim audit fieldwork, following which we will be able to determine whether it will be possible to rely on General IT Controls across these areas. The findings of this testing and our subsequent audit controls testing will be communicated to you in our Audit Highlights Memorandum.

Liaising with internal audit

ISA (UK & Ireland) 610 (revised June 2013) defines how we can use the work of internal audit. Our approach ensures we comply with these requirements. We will continue to liaise with internal audit and review the findings from their programme of work for 2017-18. We will also consider any significant control deficiencies identified by internal audit and ensure that we take this into account where relevant to determine the nature of our audit work to ensure the risk is appropriately addressed.



Appendices

Your team and the fees

Your audit team

Your audit team has been drawn from our specialist education audit department and is led by two key members of staff:

- Fleur Nieboer – Your partner has overall responsibility for the quality of the KPMG audit work and is the contact point within KPMG for the Audit Committee, the Vice-Chancellor and Chief Financial Officer.
- Jack Stapleton – Your manager is responsible for delivery of all our audit work. They will manage the completion of the different elements of our work, ensuring that they are coordinated and delivered in an effective manner.
- Alexandra Barrington – Your assistant manager is responsibly for day to day delivery of our on-site fieldwork.

The core audit team will be assisted by other KPMG staff, such as tax, pensions or property specialists as necessary to deliver the plan.

Engaging with stakeholders

We believe the test of a good audit team is how effectively they relate to the range of stakeholders at the University and adapt an appropriate style for each. We have set out the relationships and interfaces we will develop which we believe underpin an effective audit.

Stakeholder	Our approach
Finance team	<ul style="list-style-type: none"> — Regular contact to plan, monitor and deliver the accounts and audit process. — Discussion of up coming technical issues.
Executive Directors	<ul style="list-style-type: none"> — Meetings to identify, confirm and report on findings. This process helps us understand the University's proposed accounting treatment and avoids last minute 'surprises'. — Meetings to develop our risk assessment and understanding of issues facing the University. — Feedback on the audit process and team. We will hold regular meetings with Directors to discuss and assess aspects of risk at the University. We use these discussions to inform and outline our audit approach. — Responsible for considering our draft audit reports and implementing audit recommendations.
Audit Committee	<ul style="list-style-type: none"> — Main audience for our reports including technical updates where we provide information on accounting and regulatory issues at each meeting. — Attendance to support our understanding of control issues as well as to present reports. — Review of external audit performance through key performance indicators. We will contribute to a robust and constructive dialogue at the University's Audit Committee.

Your team and the fees

Audit fee

Our proposed fees are:

Component of audit	2017/18	2016/17
Audit services – Statutory audit		
Financial Statements Audit	£50,635	£49,400
South Bank University Enterprises Ltd.	£2,815	£2,750
Total fee	£53,450	£52,150

All fees are quoted exclusive of VAT.

Non audit fees in 2017/18 consist of £3,500 (ex. VAT) for corporation tax compliance services.

Audit fee assumptions

In line with our standard terms and conditions the fee is based on the following assumptions:

- The University's audit evidence files are completed to an appropriate standard (we will liaise with you separately on this);
- Draft statutory accounts are presented to us for audit subject to audit and tax adjustments;
- Supporting schedules to figures in the accounts are supplied;

- A trial balance together with reconciled control accounts are presented to us;
- All deadlines agreed with us are met;
- We find no weaknesses in controls that cause us to significantly extend procedures beyond those planned;
- Management will be available to us as necessary throughout the audit process; and
- There will be no changes in deadlines or reporting requirements.

We will provide a list of schedules to be prepared by management stating the due dates together with pro-formas as necessary.

Our ability to deliver the services outlined to the agreed timetable and fee will depend on these schedules being available on the due dates in the agreed form and content.

If there are any variations to the above plan, we will discuss them with you and agree any additional fees before costs are incurred wherever possible.

The Group will also receive the following services, which are included in this fee:

- Membership of the KPMG sponsored Audit Committee Institute;
- Invitations to attend our finance director seminars;
- The provision of informal advice;
- Benchmarking reports; and
- Briefing documents on sector technical, tax and governance issues.

Confirmation of independence

We confirm that, in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and that the objectivity of the Partner and audit staff is not impaired.

To the Audit Committee members

Assessment of our objectivity and independence as auditor of London South Bank University (the University)

Professional ethical standards require us to provide to you at the planning stage of the audit a written disclosure of relationships (including the provision of non-audit services) that bear on KPMG LLP's objectivity and independence, the threats to KPMG LLP's independence that these create, any safeguards that have been put in place and why they address such threats, together with any other information necessary to enable KPMG LLP's objectivity and independence to be assessed.

This letter is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence and addresses:

- General procedures to safeguard independence and objectivity;
- Independence and objectivity considerations relating to the provision of non-audit services; and
- Independence and objectivity considerations relating to other matters.

General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP partners and staff annually confirm their compliance with our ethics and independence policies and procedures including in particular that they have no prohibited shareholdings.

Our ethics and independence policies and procedures are fully consistent with the requirements of the FRC Ethical Standard.

As a result we have underlying safeguards in place to maintain independence through:

- Instilling professional values
- Communications
- Internal accountability
- Risk management
- Independent reviews.

The conclusion of the audit engagement partner as to our compliance with the FRC Ethical Standard in relation to this audit engagement and that the safeguards we have applied are appropriate and adequate is subject to review by an engagement quality control reviewer, who is a partner not otherwise involved in your affairs.

We are satisfied that our general procedures support our independence and objectivity except for those detailed below where additional safeguards are in place.

Confirmation of independence

Independence and objectivity considerations relating to the provision of non-audit services

Summary of fees

We have considered the fees charged by us to the University and its affiliates for professional services provided by us for the reporting period.

Total fees charged by us for the period ending 31 July 2018 are detailed on page 20.

The ratio of non-audit fees to audit fees for the year is anticipated to be 1:15. We do not consider that the total non-audit fees create a self-interest threat since the absolute level of fees is not significant to our firm as a whole. We will report to you on the final ratio in our year end reporting.

Reliance on the work of external experts

We confirm that we may use work from external experts engaged by KPMG and will receive a confirmation from them regarding their independence before they assist in any work.

Confirmation of audit independence

We confirm that as of the date of this letter, in our professional judgment, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the associate partner and audit staff is not impaired.

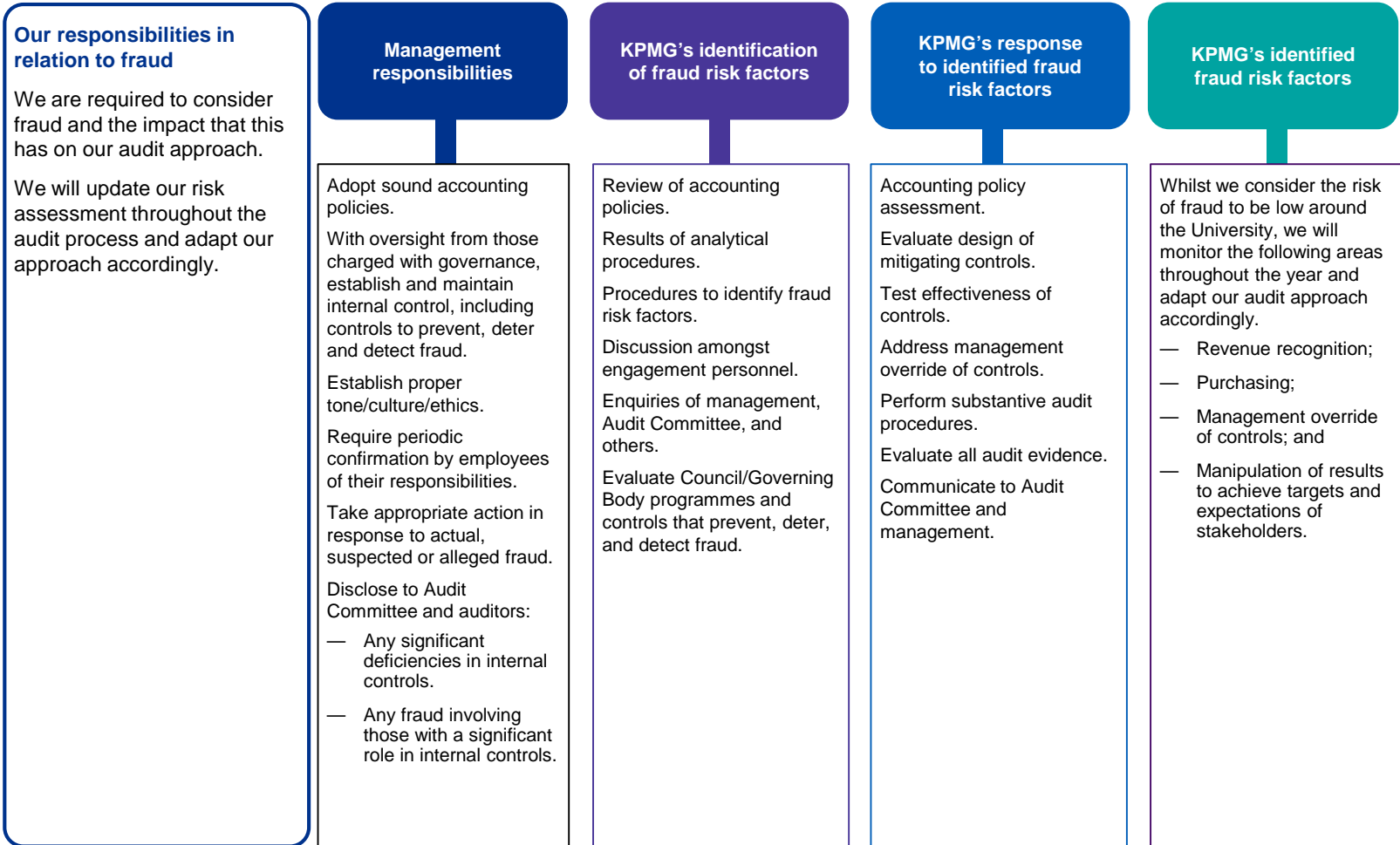
This report is intended solely for the information of the Board of Directors and should not be used for any other purposes.

We would be very happy to discuss the matters identified above (or any other matters relating to our objectivity and independence) should you wish to do so.

Yours faithfully

KPMG LLP

Responsibility in relation to fraud

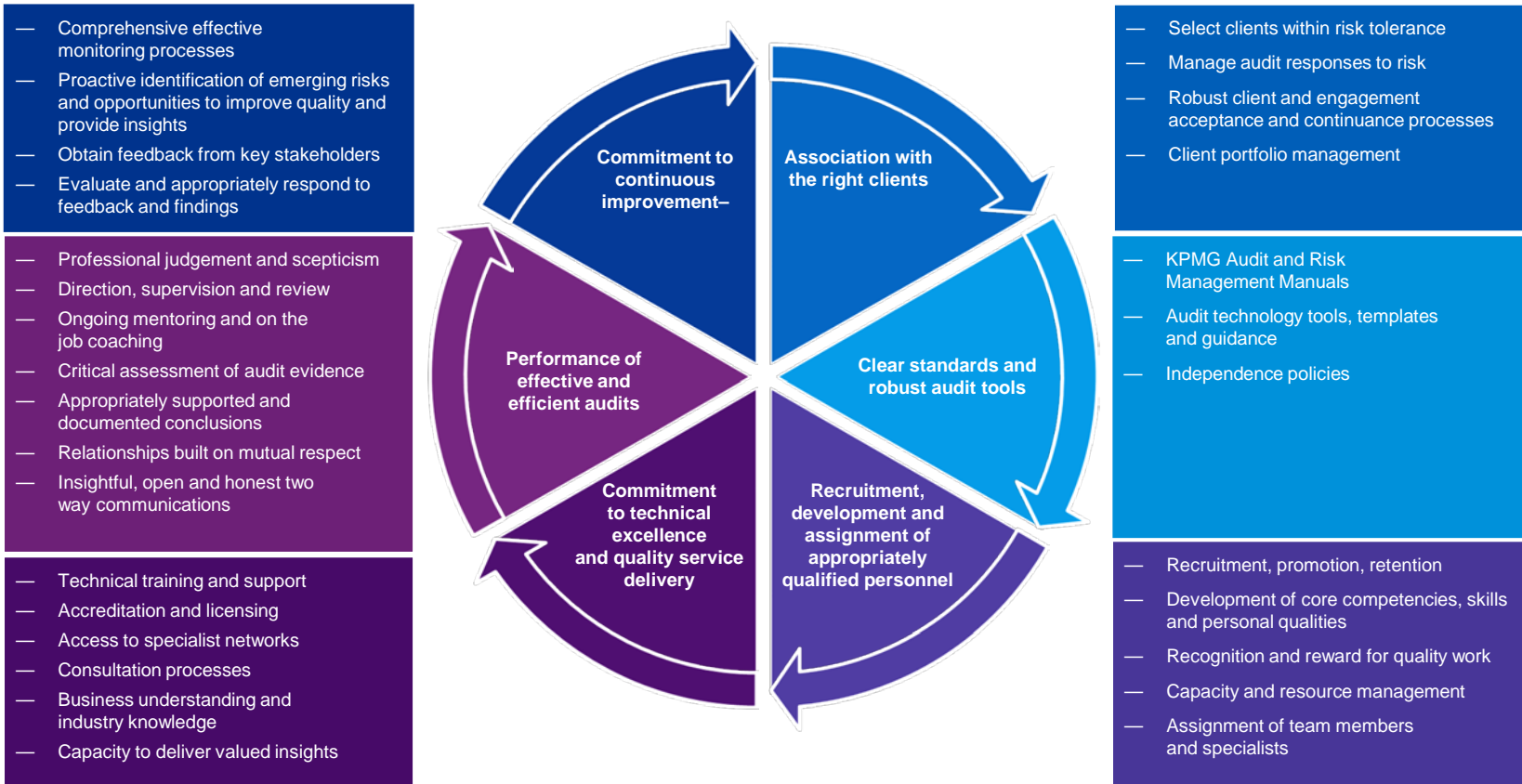


KPMG's audit quality framework

Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion.

To ensure that every partner and employee concentrates on the fundamental skills and behaviours required to deliver an appropriate and independent opinion, we have developed our global Audit Quality Framework

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	CONFIDENTIAL
Paper title:	Internal Audit Progress Report – June 2018
Board/Committee	Audit Committee
Date of meeting:	7 June 2018
Author:	PriceWaterhouse Coopers
Executive/Operations sponsor:	Richard Flatman – Chief Financial Officer
Purpose:	For Information; to provide Committee with the current progress of the work of the Internal Audit programme.
Recommendation:	Committee is requested to note: <ul style="list-style-type: none"> • the report and its findings

Executive Summary

74% of the agreed internal audit programme for 17/18 is now complete.

The progress overview accompanies a Continuous Audit report into Student Data a report into International Partnerships, and the draft audit plan for 18/19.

Four recommendations were followed up in this period, and three have been implemented (75%), with 1 partially implemented. (*details in appendix A on p11*)

- The Committee is requested to note the report and the progress made.

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Internal Audit Progress Report 2017/18

*London South Bank
University*

FINAL

May 2018

▶ Click to launch

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Contents

Summary

1



Activity in the period

2



Progress against plan

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3



Appendices

- A. Follow up on audit actions
- B. Thought leadership



Summary (1 of 2)



Purpose of this report

We are committed to keeping the Audit Committee up to date with Internal Audit progress and activity throughout the year. This summary has been prepared to update you on our activity since the last meeting of the Audit Committee and to bring to your attention any other matters that are relevant to your responsibilities.

Progress against the 2017/18 internal audit plan

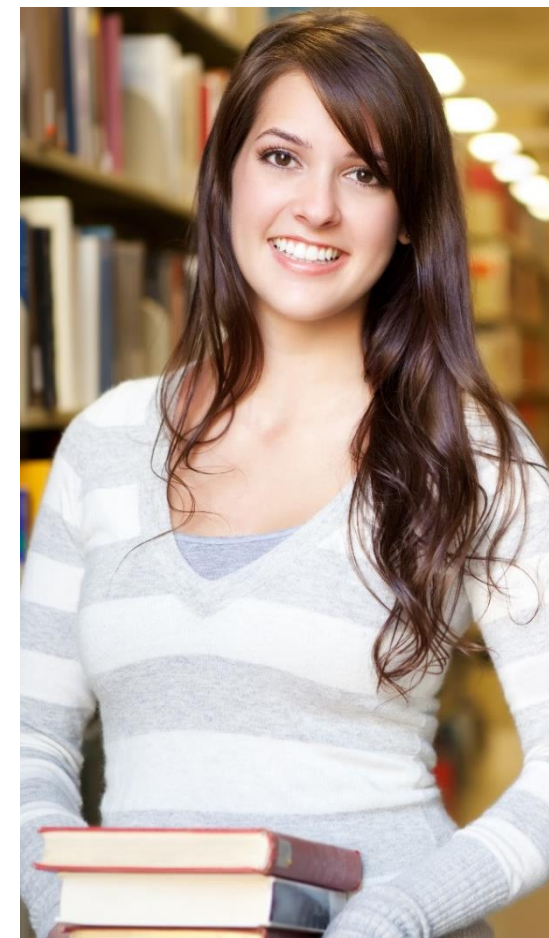
We have completed 74% of our 2017/18 internal audit programme for the year. For this Audit Committee, we present the following final reports:

- International Partnerships Arrangements;
- Student Data Continuous Audit Period 2; and
- Our draft 2018/19 Internal Audit Plan.

Findings of our Follow Up Work

We have undertaken follow up work on actions with an implementation date of 31/05/2018 or sooner. We have discussed with management the progress made in implementing actions falling due in this period. Where the finding had a priority of low or advisory, we have accepted management's assurances of their implementation; otherwise, we have sought evidence to support their response.

A total of four actions have been followed up this quarter. Three actions have been implemented (75%) and one action (25%) remains partially implemented. The partially implemented finding relates to the 2016/17 Data Security report and was initially due to be implemented by 31/01/2017, we have confirmed the majority of actions have been implemented, but there are two minor actions which require attention before this finding can be closed. Progress is summarised in Appendix A.



Summary (2 of 2)



Other Matters

As part of our regular reporting to you, we plan to keep you up to date with the emerging thought leadership we publish. Our Higher Education Centre of Excellence and the PwC's Public Sector Research Centre (PSRC) produce a range of research and are the leading centres for insights, opinion and research on good practice in the higher education sector. In Appendix B we have summarised some of our recent publications.

Recommendations

- That the Audit Committee **notes** the progress made against our 2017/18 Internal Audit Programme;
- That the Audit Committee **comments** on our final report for International Partnerships Arrangements and Student Data Continuous Audit Period 2; and
- That the Audit Committee **comments** on our draft 2018/19 internal audit plan.



Activity in the period (1 of 2)



Final reports issued since the previous meeting

International Partnership Arrangements – High risk

London South Bank University (LSBU) has nearly 200 arrangements with international partners. Within the last year, a process has been undertaken to terminate loss-making contracts, revise the process for entering into new arrangements and monitor the academic and financial performance of existing international partnership arrangements.

The objective of this audit is to review the controls in place for assessing international partners and monitoring the academic quality and financial performance of international partnership arrangements.

We identified *two high risk* findings relating to the performance of initial assessments:

- For 3/4 international partnerships, evidence of an initial assessment and due diligence checks could not be provided. The three exceptions relate to agreements which commenced prior to the new process introduced in April 2017.
- A log of academic quality checks completed over international partners is not retained. There is no process in place to monitor the financial performance of international partnership arrangements.

We identified *one medium risk* finding:

- A signed memorandum of cooperation was not in place for 1/4 international partnerships.

Activity in the period (2 of 2)



Final reports issued since the previous meeting (continued)

Continuous Auditing: Student Data 2017/18 Phase two

We have classified this report as high risk based on the number and severity of findings identified. The table below summarises the number of exceptions for each period. There has been a decline in overall performance from the previous period due to the increased number of exceptions identified. The increase is driven by 19 exceptions identified for the new control S3 (Apprenticeships). There has also been far more exceptions identified in S4 (Student Engagement) and S9 (Changes to module data). We note that there has been a significant improvement in S2 (Tier 4 controls).

Control	P2 17/18 Effectiveness	P2 17/18 Control design	P1 17/18 Effectiveness	P1 17/18 Control design	Trend
S1	8	-	11	-	↓
S2	2	-	16	1	↓
S3	13	1	N/A – This is a new control that has been tested for the first time in P2.		N/A
S4	9	-	4	-	↑
S5	-	-	-	-	↔
S6	5	-	2	-	↑
S7	4	-	3	-	↑
S8	-	-	1	-	↓
S9	13	1	4	-	↑
S10	-	-	-	-	↔
S11	-	-	-	-	↔
Total	54	2	41	1	↑

System Classification
P2 17/18

High Risk

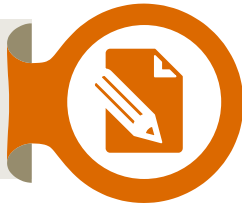


System Classification
P1 17/18

Medium Risk



Progress against 2017/18 plan (1 of 3)



The below table outlines the progress against the 2017/18 Internal Audit Plan:

Days	ToR	Field work start	Exit Meeting	Final Report	Report Classification	Total findings	Ratings				
							Critical	High	Medium	Low	Advisory
Quarter 1: August 2017 – October 2017											
Continuous Auditing: Key Financial Systems – January 2017 to July 2017											
15 (15)	02/08/2017	14/08/2017	15/09/2017	19/09/2017							
Health and Safety											
12 (12)	18/09/2017	09/10/2017	08/11/2017	26/01/2018	Medium						
Quarter 2: November 2017 – January 2018											
International Partnership Arrangements											
10 (10)	29/11/2017	06/12/2017	22/02/2018	30/05/2018	High						
Continuous Auditing: Student Data – April 2017 to October 2017											
13 (13)	29/11/2017	04/12/2017	12/12/2017	31/01/2018							

Progress against 2017/18 plan (2 of 3)



Days	ToR	Field work start	Exit Meeting	Final Report	Report Classification	Total findings	Ratings				
							Critical	High	Medium	Low	Advisory
Quarter 3: February 2018 – April 2018											
Continuous Auditing: Key Financial Systems - August 2017 to December 2017											
15 (15)	08/01/2018	08/01/2018	19/01/2018	31/01/2018	N/A						
Continuous Auditing : Student Data - November 2017 to March 2018											
12 (12)	12/04/2018	09/04/2018	13/04/2018	30/05/2018	N/A						
HR audit											
10 (1)											
IT audit											
15 (1)											

Progress against 2017/18 plan (3 of 3)



Days	ToR	Field work start	Exit Meeting	Final Report	Report Classification	Total findings	Ratings				
							Critical	High	Medium	Low	Advisory
Quarter 4: May 2017 – July 2017											
Risk Management											
5 (0)											
Other											
18 (13)	Planning, contract management, reporting, value for money and follow up										
Total	125 (92)										

Appendices

Appendix A: Follow up (1 of 2)

Implemented

#	Review	Agreed Action	Original due date	Risk rating	Status
1	Risk Management	These matters will be highlighted to all areas in the autumn planning meetings, and reviewed at the operational effectiveness review meetings during 17/18.	30/05/2018	● Low	Implemented. All agreed actions have been implemented.
2	Fire Safety Management (Healthy and Safety)	In the short term (Target date 30/01/2018), communication will be sent to staff and students highlighting the importance of responding appropriately to fire alarms and evacuation arrangements.	30/01/2018	● Medium	Implemented. All agreed actions have been implemented.
3	Fire Safety Management (Healthy and Safety)	- The chemical hazards list will be shared with first responders (security officers). - Schools and areas dealing with chemicals must keep an accurate and up-to-date chemicals hazards list and need to ensure that they've supplied this list to the HSR team. This is particularly applicable to the engineering and applied sciences faculties.	30/01/2018	● Low	Implemented. All agreed actions have been implemented.

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Appendix A: Follow up (2 of 2)

Partially implemented

#	Review	Agreed Action	Original due date	Revised due date	Risk rating	Status
4	Data Security	<p>Security</p> <p>We are not able to technically restrict unencrypted USB devices across the whole organisation as this would have a negative impact on teaching and learning, as well as on our disabled students. Instead we will begin deploying encrypted USBs to all staff that request them, and enforcing by policy; that all members of staff must use LSBU provided encrypted USBs whenever transporting any data away from their machines.</p> <p>We have not been accepting 'opt outs' for encryption policies since July 2015, we will no longer be accepting 'opt outs' for any encryption related policy. This messaging will be reinforced to our helpdesks during September.</p> <p>We have undertaken a cost benefit analysis of known desktop machines across the organisation. We have identified that public machines hold no accessible sensitive information therefore can be viewed as low risk. As a department we have decided that only sensitive devices will be encrypted.</p> <p>We recently (August 2016) implemented a system (System Centre Configuration Manager) capable of cataloguing and tracking machines across our network. This system will help to address historic tracking issues for laptops and other mobile devices. We are expecting this system to reach maturity by the end of 2016. In addition we are exploring options to restrict access to staff areas of the network to only allow registered and tracked devices (Network Access Control system) during the 16/17 academic year.</p> <p>The password parameters applied in AD are a known issue related to a deprecated system that has been decommissioned, a change request has been submitted as of 07/09/2016 to have the technical password policy parameters changed.</p> <p>We will review the listing of incomplete encryptions and remind users to ensure that these are up-to-date so they are actively encrypted. As above, this work will be covered as part of our SCCM database.</p>	31/01/2017	30/06/2018	●	Partially implemented.
			31/08/2017		High	LSBU are not yet tracking MAC OSX in SCCM, nor have the changes been made to the password policy. All other agreed actions have been implemented.
			31/12/2017			
			30/05/2018			

Appendix B: Recent publications and thought leadership

As part of our regular reporting to you, we plan to keep you up to date with the emerging thought leadership we publish. The PwC Public Sector Research Centre (PSRC) produces a range of research and is a leading centre for insights, opinion and research on best practice in government and the public sector alongside our in-house blog which discuss current issues affecting the education sector.

Higher Education Matters: Technology

In our most recent Higher Education Newsletter, we consider how technology will impact Higher Education, its delivery and the business model that underpins it. The articles included within this publication are:

- **Are robots really stealing our jobs?** Discusses the workforce of the future and the role Higher Education will need to play.
- **What are the biggest technology trends in Higher Education globally?** Explores how technology is broadening student access and adaptive learning around the globe.
- **Delivering strategy through technology** delves into the challenges universities encounter when embarking on big technology projects.
- **Investing in people technology** examines how the right technology investments can make HR functions fit for the future.
- **Is Higher Education ready for the General Data Protection Regulation (GDPR)?** Looks at the impact of the new regulation and how it could prove to be a catalyst for change.

The newsletter, and above articles, can be seen here: www.pwc.co.uk/government-public-sector/education/he-matters/documents/he-matters-spring-2018-technology.pdf

Where are the lower-paid men? The gender pay-gap at Universities

In this article, we consider the gender pay gap for Universities, our findings are:

- The average gap is 14% (consistent with the national average).
- Under 2% of staff on average have been paid a bonus.
- Women occupy 45% of the most well paid roles (upper quartile paid roles) on average and 55% of the next best paid roles (median to upper quartile paid roles), growing to 60% and 67% of the below median and lowest paid roles

This suggests then, that for universities, a significant part of the explanation for the gap lies not only on the ‘where are the senior women?’ side of the equation but also on the ‘why do women outnumber men two to one at the lower end?/where are the lower-paid men?’ side.

The full article can be see here: www.pwc.co.uk/industries/government-public-sector/education/uk-universities-higher-education-gender-pay-gap.html

Appendix B: Recent publications and thought leadership

Do universities pay their staff less than the minimum wage?

No university anywhere in the country considers that they pay any member of staff less than the minimum wage and many believe that they have nothing to worry about if they were subjected to a National Minimum Wage (NMW) audit.

What we are seeing, both in the Higher Education Sector and in other sectors is that employers are falling foul of the regulations, not because they pay their employees less than the minimum wage, but in relation to specific technical breaches, including not performing checks on a pay reference period for:

- term time workers or those doing annualised hours;
- those members of staff who may be provided with accommodation and may be on call;
- employees who may incur costs in relation to uniforms, possibly catering staff; and
- employees entering into salary sacrifice arrangements.

Whilst these may be technical breaches, rather than any intention on the part of the Institution to deliberately pay below minimum wage, these would not prevent the damage to the University's reputation as their details are formally published by BEIS and they are publicly named and shamed.

There are also cost implications associated with this as HMRC can, and typically will, go back 6 years for current and former employees and even where extremely small errors are identified the amounts involved can soon mount up; will levy penalties of up to 200% on underpayments due.

This poses yet another demand on the HR and finance functions of universities to ensure that they are regularly reviewing methodology and approach to the payment of wages for classes of employees who could potentially be impacted, carrying out spot checks and implementing processes to monitor and control.

We are helping a larger number of businesses than ever before with their NMW audits or to proactively consider the risk position in this area, and as a result we have lots of experience and insights which we are happy to share with you.

We are happy to provide full electronic or hard copy versions of these documents at your request.

All publications can be read in full at www.psrc.pwc.com/ and www.pwc.blogs.com/publicsectormatters/education

This document has been prepared only for London South Bank University and solely for the purpose and on the terms agreed with London South Bank University in our agreement dated 16/10/2017. We accept no liability (including for negligence) to anyone else in connection with this document, and it may not be provided to anyone else.

Internal audit work was performed in accordance with PwC's Internal Audit methodology which is aligned to the Higher Education Funding Council for England's (HEFCE) Memorandum of Assurance and Accountability (MAA). As a result, our work and deliverables are not designed or intended to comply with the International Auditing and Assurance Standards Board (IAASB), International Framework for Assurance Engagements (IFAE) and International Standard on Assurance Engagements (ISAE) 3000.

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	CONFIDENTIAL
Paper title:	Internal Audit Continuous Audit Report into Student Data
Board/Committee	Audit Committee
Date of meeting:	7 June 2018
Author:	PriceWaterhouse Coopers
Executive/Operations sponsor:	Richard Flatman – Chief Financial Officer
Purpose:	For Information; to provide Committee with the latest report into the continuous audit of the controls around Student Data.
Recommendation:	Committee is requested to note: <ul style="list-style-type: none"> • the report and its findings

Executive Summary

The report is classified overall as high risk, with 54 identified exceptions, an increase on the previous report, and with 2 control design recommendations. However 13 of these relate to S3, a new control introduced around apprenticeships, and without this the results are comparable.

The other area of considerable findings and a control design recommendation, was against control S9, Changes to module data, and management responses are provided to address this moving forward.

The other control design relates to the use of the new OneFile software system for apprentices, which will enable the central recording of individual requirements and progress for learners.

The detailed findings are covered on pages 5 – 14, with management responses.

- The Committee is requested to note the report and its findings

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Internal Audit Report 2017/18

Continuous Auditing: Student Data 2017/18 – Period 2

London South Bank
University

Final

May 2018

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Background and scope

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Findings

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3



Appendices

- A. Basis of our classifications
- B. Terms of reference
- C. Limitations and responsibilities

Distribution list

For action: Ralph Sanders (Director of Planning, Information & Reporting)
 Dave Lewis (Software Development Team Leader)
 Sheila Patel (Applications Support and Maintenance Team Leader)
 Lisa Upton (Head of Registry)
 Nuria Prades (Head of Operations, International Office)
 Rosalind Martin (Immigration and International Student Advice Manager)
 Alan Butt (Student Engagement Team Leader)

For information: Richard Flatman (Chief Financial Officer)
 John Baker (Corporate and Business Planning Manager)
 Jamie Jones (Head of Student Administration)
 Andrew Ratajczak (Manager: Fees, Bursaries and Central Enrolment)
 Natalie Ferer (Financial Controller)
 Audit Committee



Executive summary



System Classification

High Risk



System Summaries

We have classified this report as high risk based on the number and severity of findings identified. Our rating criteria are set out at Appendix A. The table below summarises the number of exceptions for each period. Overall there has been a decline in overall performance from the previous period due to the increased number of exceptions identified.

The increase is driven by 13 exceptions identified for the new control S3 (Apprenticeships). There has also been far more exceptions identified in S4 (Student Engagement) and S9 (Changes to module data). We note that there has been a significant improvement in S2 (Tier 4 controls).

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S5	-	-	-	-	↔
S6	5	-	2	-	↑
S7	4	-	3	-	↑
S8	-	-	1	-	↓
S9	13	1	4	-	↑
S10	-	-	-	-	↔
S11	-	-	-	-	↔
Total	54	2	41	1	↑

Background and scope



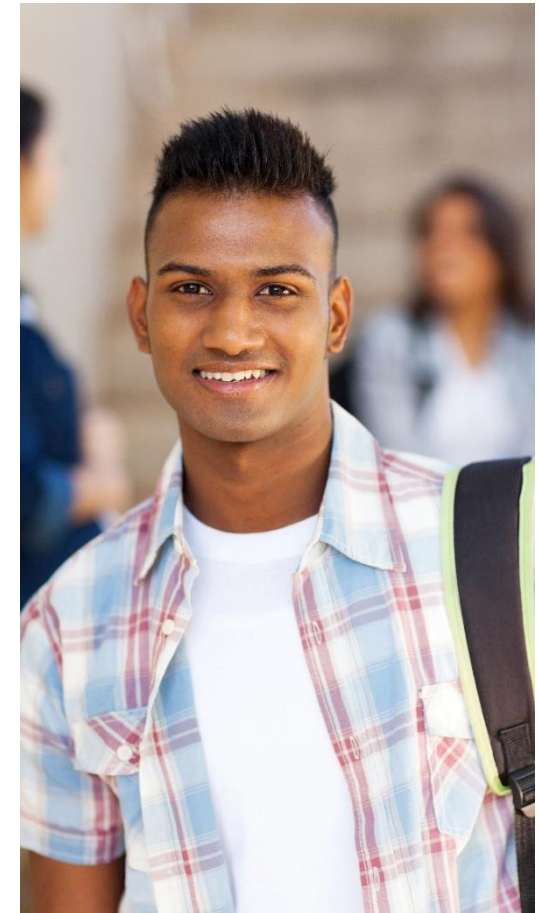
Background

The Higher Education Funding Council for England’s (HEFCE) Memorandum of Assurance and Accountability (MAA) states that the Audit Committee is required to produce an annual report for the governing body and the accountable officer. This report must include the committee’s opinion on the adequacy and effectiveness of the University’s arrangements for management and quality assurance of data submitted to the Higher Education Statistics Agency (HESA), the Student Loans Company (SLC), HEFCE and other bodies. Whilst there is no requirement for our internal audit programme to provide a conclusion over data quality, our internal audit programme for 2017/18 has been designed to support the Audit Committee in forming its conclusion.

Our Student Data Continuous Audit programme will test key controls associated with data quality on an on-going basis to assess whether they are operating effectively and to flag areas and/or report transactions that appear to circumvent controls.

We have outlined the specific controls we have tested in the Terms of Reference (please refer to Appendix B). These have been identified through our annual audit planning process and meetings with management. We will continue to refresh this knowledge throughout the year to ensure we focus upon the key risks facing London South Bank University (LSBU).

A summary of our findings and the matters arising in the course of our work this period is set out in the Executive Summary. Our detailed findings are set out in the Findings section.



Detailed Findings (1 of 8)



	Key Control	Exceptions P2 2017/18	Details on exceptions	Management Comment
S1	<p>New Student Record</p> <p>Following a student record being created in QLS at the application stage, appropriate checks are performed prior to fully enrolled ('EFE') status. These checks include:</p> <ul style="list-style-type: none"> •A full ID check •Criminal conviction check (self-declaration by students) •Entry criteria have been met 	<div style="background-color: red; color: white; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">8</div>	<p>Exceptions identified for 8/25 new students tested.</p> <ul style="list-style-type: none"> • For 8/25 new students, the criminal conviction self-declaration was not completed. 	<p>Management response and action:</p> <p>Any positive declarations within UKPASS applications are actioned by the admissions team along the agreed protocols. The response to the criminal convictions question is not currently included in the data transfer process which creates records onto the corporate Student Record System. The university is developing a proposal for use of an alternative admissions platform, that will address the data transfer issue with the UKPASS platform for PG applicants.</p> <p>Owner and due date:</p> <p>Lisa Upton, Head of Registry 30/11/2018</p>

Performance is indicated either as 'green' or 'red'. 'Green' indicates that there were no operating effectiveness issues noted during the testing period. 'Red' indicates that an exception was identified. Control design issues are raised separately with individual risk ratings.

Detailed Findings (2 of 8)



	Key Control	Exceptions P2 2017/18	Details on exceptions	Management Comment
S2	<p>Tier 4 controls</p> <p>Supporting documentation is obtained and retained to ensure Tier 4 requirements are met.</p>	<p>2</p>	<p>Exceptions identified for 2/20 Tier 4 students tested.</p> <ul style="list-style-type: none"> For 2/20 Tier 4 students who enrolled in the testing period, an attendance record could not be evidenced. We note that both these students had participated in a placement. <p><i>We also identified one short stay overseas student who had been incorrectly classified as a Tier 4 student. An exception has not been raised as we confirmed that the correct procedure had been followed for enrolling this student.</i></p>	<p>Management response and action:</p> <p>We will work with the employability team and student admin team to ensure that the InPlace software system enables attendance reporting for international students on placement, and that this is integrated with student engagement processes.</p> <p>Owner and due date:</p> <p>Nuria Prades, Head of Operations</p> <p>30/10/2018</p>

Detailed Findings (3 of 8)



	Key Control	Exceptions P2 2017/18	Details on exceptions	Management Comment
S3	<p>Apprenticeships</p> <p>Before the apprentice is enrolled at the University, the following must be completed:</p> <ul style="list-style-type: none"> Apprenticeship contract signed by learner, employer and university prior to commencement of programme Individual Learner Plan (ILP) including calculation of anticipated hours of off the job training BKSB initial assessment results on file DBS check completed (if HSC programme) 	<p>13</p>	<p>Exceptions identified for 13/20 apprentices tested.</p> <ul style="list-style-type: none"> For 12/20 apprentices, an Individual Learner Plan (ILP) could not be evidenced. We understand that this is because the ILP's for these students are held in hard copy only, and because they are held by the students we were not able to review them during the audit fieldwork. For 1/20 apprentices, the apprenticeship agreement was not signed by LSBU and the apprentice prior to the commencement of apprenticeship. <p><i>We have not reported on DBS checks as the process for completing these checks is due to be implemented in June 2018.</i></p>	<p>Management response and action:</p> <p>We will ensure that the ILP is completed with support from the Apprenticeships team prior to the apprentice contract being signed, and attached to the learner's eportfolio within the OneFile online storage system.</p> <p>Owner and due date:</p> <p>Heather Collins, Apprenticeship Implementation Manager</p> <p>30/09/2018</p>

Detailed Findings (4 of 8)



	Key Control	Exceptions P2 2017/18	Details on exceptions	Management Comment
S4	<p>Student Engagement</p> <p>Applies to all Schools (other than Health & Social Care and students with Tier 4 visas).</p> <p>Engagement data is captured in the Student Point of Contact (SPOC) report. The following indications of engagement are monitored:</p> <ul style="list-style-type: none"> •Entry onto campus. •Moodle use. •Attendance at teaching sessions. •Submission of assessment •MyLSBU use. <p>Students failing to meet the minimum thresholds for engagement are investigated.</p>	<p>9</p>	<p>Exceptions identified for 9/25 students who failed to meet the minimum engagement criteria.</p> <ul style="list-style-type: none"> • For 3/25 students, there was no evidence of communication with the student regarding their lack of engagement. • For 6/25 students, the escalation process for non-engagement did not follow the prescribed timescales. 	<p>Management response and action:</p> <p>The process documentation will be amended to ensure that vacation periods are clearly referenced to ensure that the timings of follow up activity occur within defined timescales, during regular teaching weeks.</p> <p>The student engagement records will be amended to ensure that where a student being flagged for engagement activity currently has 'do not contact' status, the reasons for this are recorded against their engagement record.</p> <p>Owner and due date:</p> <p>Alan Butt, Student Engagement Team Leader</p> <p>30/09/2018</p>

Detailed Findings (5 of 8)



	Key Control	Exceptions P2 2017/18	Details on exceptions	Management Comment
S5	<p>Student Attendance</p> <p>Applies to School of Health & Social Care and students with Tier 4 visas.</p> <p>Attendance reports from the Student Attendance Monitoring system (SAM) are generated by the School of Health & Social Care and for students with Tier 4 visas to identify periods of non-attendance. Students failing to meet the minimum attendance thresholds are investigated.</p>	0	No exceptions noted.	

Detailed Findings (6 of 8)



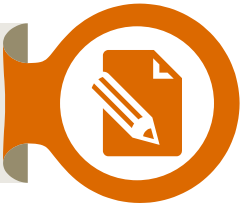
	Key Control	Exceptions P2 2017/18	Details on exceptions	Management Comment
S6	<p>Course Changes</p> <p>Supporting evidence is obtained prior to processing any course changes or withdrawals.</p>	5	<p>Exceptions identified for 5/25 course changes tested.</p> <ul style="list-style-type: none"> For 3/25 course changes, a change of course form could not be evidenced. 1/25 change of course forms had not been approved by the course director. 1/25 change of course forms had not been approved by the student. 	<p>Management response and action:</p> <p>We will introduce a change of process, with a 100% check to be carried out before any change is made to the student record. We will also review the process guidance currently utilised by the student administration team.</p> <p>Owner and due date:</p> <p>Lisa Upton, Head of Registry 31/07/2018</p>
S7	<p>Withdrawals</p> <p>Supporting documentation is retained for all change of circumstances. Changes of circumstances are processed on a timely basis.</p> <p>This testing is restricted to the testing of withdrawals.</p>	4	<p>Exceptions identified for 4/20 withdrawals tested.</p> <ul style="list-style-type: none"> For 1/20 withdrawals, there was no evidence that the student requested to be withdrawn. 3/20 withdrawals were not processed in a timely manner (within 14 days). 	<p>Management response and action:</p> <p>Correspondence will be sent to the teams responsible to remind them of the procedures to be followed.</p> <p>Owner and due date:</p> <p>Lisa Upton, Head of Registry 30/06/2018</p>

Detailed Findings (7 of 8)



	Key Control	Exceptions P2 2017/18	Details on exceptions	Management Comment
S8	<p>Module Data Exception Reporting</p> <p>Exception reports are run to identify changes made to student module data and are investigated.</p>	0	No exceptions noted.	
S9	<p>Changes to Module Data</p> <p>Evidence is retained to support any changes to student module data.</p>	13	<p>13/20 exceptions noted.</p> <ul style="list-style-type: none"> For 8/20 students, the discrepancy between the actual and expected credits had not been resolved. For 4/20 students whose actual credits differed to those expected, no explanation was provided for the discrepancy. 1/20 students had been allocated to the wrong course progression code. 	<p>Management response and action:</p> <p>Moving to more regular reporting of discrepancies has highlighted an issue with the timeliness of module record keeping with the student administration team. With this being highlighted, Registry will run more detailed reports on other aspects of module record keeping and are working with student administration team leaders and the quality team to address this issue.</p> <p>Owner and due date:</p> <p>Lisa Upton, Head of Registry</p> <p>30/09/2018</p>

Detailed Findings (8 of 8)



	Key Control	Exceptions P2 2017/18	Details on exceptions	Management Comment
S10	<p>QLS: New Starters</p> <p>All new users of the QLS system must complete an authorisation form which is authorised by their line manager and IT prior to system access.</p>	0	No exceptions noted.	
S11	<p>QLS: Leavers</p> <p>Leavers are removed from the QLS system on a timely basis.</p>	0	No exceptions noted.	

**ESFA requirements are
complied with (S3)
Control design**

1

Findings

ESFA guidelines requires that an Individual Learning Plan (ILP) is completed for each apprentice. ILP's held for students in the School of Health & Social Care have little/no input from the Apprenticeships team. There is also a lack of targets set for students, which means their performance can't be easily monitored.

Implications

Without central oversight from the Apprenticeship team, there could be inconsistencies in the ILP's in place for the students in the School of Health & Social Care. This could mean that the quality of the apprenticeship provision is reduced and there is a risk that the ILP may not be compliant with ESFA guidelines.

Action plan

We will work with the teaching team in HSC to ensure that at the end of each semester, digital copies of the completed student paper workbooks are created and stored centrally, enabling central oversight of the regular review of learner progress & feedback contained within those documents, and evidence storage in the event of an ESFA audit.

Responsible person/title:

Heather Collins,
Apprenticeships
Implementation Manager

Target date:

30/11/2018

Reference number:

1

Exception reports are run to identify changes made to student data and are investigated (S9)
Control design

2

Page 90

Finding rating

Rating

Low risk

Findings

Exception reports are run monthly to identify discrepancies between the actual and expected credits a student is registered to. The registry team contact the Schools to understand the cause of discrepancies and correct the student module data if required.

We identified that responses from Schools were delayed, meaning that at the time of audit fieldwork, there were a number of errors in the module data which had not been resolved. This is because there is no formal deadline for responses to be returned.

Implications

Failure of schools to return module exception data in a timely manner may result in students remaining on an incorrect number of credits. This could mean that students are awarded qualifications from LSBU without completing the required modules, or mean that LSBU is under charging students leading to a loss of revenue.

Action plan

Registry will introduce a response deadline in the communications provided as a result of the exception report analysis.

Responsible person/title:

Lisa Upton, Head of Registry

Target date:

31/05/2018

Reference number:

2



**Appendix A: Basis of our
classifications**

**Appendix B: Terms of
reference**

**Appendix C: Limitations
and responsibilities**

Appendices

Page 91

Appendix A: Basis of our classifications

System summary ratings

The finding ratings in respect of each financial sub-process area are determined with reference to the following criteria.

Rating	Assessment rationale
● Red	A high proportion of exceptions identified across a number of the control activities included within the scope of our work; or Control failures which, individually or in aggregate, have resulted in the significant misstatement of the University's financial records.
● Amber	Some exceptions identified in the course of our work, but these are limited to either a single control or a small number of controls; or Control failures which, individually or in aggregate, have resulted in the misstatement of the organisations financial records, but this misstatement is not significant to the University
● Green	Limited exceptions identified in the course of our work Control failures which, individually or in aggregate, do not appear to have resulted in the misstatement of the organisations financial records.

Control design improvement classifications

The finding ratings in respect of each financial sub-process area are determined with reference to the following criteria.

Critical

A finding that could have a:

- **Critical** impact on operational performance resulting in inability to continue core activities for more than two days; or
- **Critical** monetary or financial statement impact £5m; or
- **Critical** breach in laws and regulations that could result in material fines or consequences over £500k; or
- **Critical** impact on the reputation or brand of the organisation which could threaten its future viability, e.g. high-profile political and media scrutiny i.e. front-page headlines in national press.

Appendix A: Basis of our classifications

High

A finding that could have a:

- **Significant** impact on operational performance resulting in significant disruption to core activities; or
- **Significant** monetary or financial statement impact of £2m; or
- **Significant** breach in laws and regulations resulting in significant fines and consequences over £250k; or
- **Significant** impact on the reputation or brand of the organisation, resulting in unfavourable national media coverage.

Medium

A finding that could have a:

- **Moderate** impact on operational performance resulting in moderate disruption of core activities or significant disruption of discrete non-core activities; or
- **Moderate** monetary or financial statement impact of £1m; or
- **Moderate** breach in laws and regulations resulting in fines and consequences over £100k; or
- **Moderate** impact on the reputation or brand of the organisation, resulting in limited unfavourable media coverage.

Low

A finding that could have a:

- **Minor** impact on the organisation's operational performance resulting in moderate disruption of discrete non-core activities; or
- **Minor** monetary or financial statement impact of £500k; or
- **Minor** breach in laws and regulations with limited consequences over £50k; or
- **Minor** impact on the reputation of the organisation, resulting in limited unfavourable media coverage restricted to the local press.

Advisory

A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.

Appendix B: Terms of reference

Continuous Auditing: Student Data 2017/18

To: Richard Flatman – Chief Financial Officer

From: Justin Martin – Head of Internal Audit

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Background and audit objectives (1 of 2)



This review is being undertaken as part of the 2017/2018 internal audit plan approved by the Audit Committee.

Background and audit objectives

The Higher Education Funding Council for England's (HEFCE) Memorandum of Assurance and Accountability (MAA) states that the Audit Committee is required to produce an annual report for the governing body and the accountable officer. This report must include the committee's opinion on the adequacy and effectiveness of the University's arrangements for management and quality assurance of data submitted to the Higher Education Statistics Agency (HESA), the Student Loans Company (SLC), HEFCE and other bodies. Whilst there is no requirement for our internal audit programme to provide a conclusion over data quality, our internal audit programme for 2017/18 has been designed to support the Audit Committee in forming its conclusion.

Our Student Data Continuous Audit programme will test key controls associated with data quality on an on-going basis to assess whether they are operating effectively and to flag areas and/or report transactions that appear to circumvent controls. Testing will be undertaken twice a year and provide the following benefits:

- It provides management with an assessment of the operation of key controls on a regular basis throughout the year;
- Control weaknesses can be addressed during the year rather than after the year end; and
- The administrative burden on management will be reduced when compared with a full system review, in areas where there is sufficient evidence that key controls are operating effectively.

We have outlined the specific controls we will be testing in Appendix 1. These have been identified through our annual audit planning process and meetings with management to update our understanding of the control framework in place. We will continue to refresh this knowledge throughout the year to ensure we focus upon the key risks facing London South Bank University (LSBU). Where the control environment changes in the financial year or we agree with management to revise our approach, we will update Appendix 1 and re-issue our Terms of Reference.

Background and audit objectives (2 of 2)



Background and audit objectives

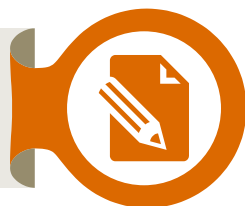
Our work touches upon the following areas that form part of our annual report to Audit Committee:

Total plan days	Financial Control	Value for Money	Data Quality	Corporate Governance	Risk management
25	x	x	X	x	x

X = area of primary focus

x = possible area of secondary focus

Audit scope and approach (1 of 2)

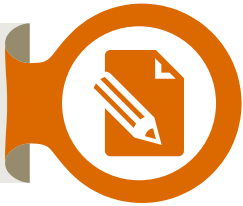


Scope

The financial processes, key control objectives and key risk areas included within the scope of this review are:

Sub-process	Key Control Objectives	Key risks
Student Systems	Complete and accurate records of students and their activity are maintained.	<ul style="list-style-type: none"> Application and enrolment data may be inaccurate. This could also result in fees not being correct resulting in students being over or undercharged and an associated impact on income. UKVI requirements are not complied with. This could result in London South Bank University losing their license to operate affecting fee income and leading to reputational damage. ESFA requirements are not complied with. This could result in London South Bank University losing funding for apprentices or restrictions being imposed on future apprenticeship programmes. Student engagement or attendance records are incorrect undermining the reliability of management information. Course changes are not identified on a timely basis which could affect fee income, as well as student data quality. Reporting of changes in circumstances to the SLC are not reported and processed accurately, completely and on a timely basis. This could mean student data is inaccurate. Student module data is inaccurate or incomplete, undermining the reliability of data. Users have unauthorised access and can make inappropriate amendments to student records which could compromise the validity, accuracy and completeness of student data.

Audit scope and approach (2 of 2)



Limitations of scope

Our work is not intended to provide assurance over the effectiveness of all the controls operated by management over student data; the focus of our work will be limited to those controls which are deemed by management to be most significant to the system under consideration.

Our work will not consider the organisations IT security framework and associated controls in place.

Audit approach

We will undertake our testing twice a year, covering the following periods during 2017/18:

- Phase 1: April 2017 – October 2017
- Phase 2: November 2017 – March 2018



Internal audit team



Internal audit team

Name	Role	Contact details
Justin Martin	Head of Internal Audit	0207 212 4269 justin.f.martin@pwc.com
Lucy Gresswell	Engagement Manager	07718 098 321 lucy.j.gresswell@pwc.com
Janak Savjani	Continuous Auditing Supervisor	07802 660 974 janak.j.savjani@pwc.com
Josh Thomas	Continuous Auditing Technician	07718 978 628 joshua.thomas@pwc.com



Key contacts

Key contacts – London South Bank University

Name	Title	Contact details	Responsibilities
Richard Flatman	Chief Financial Officer (Audit Sponsor)	0207 815 6301 richard.flatman@lsbu.ac.uk	Review and approve terms of reference Review draft report
John Baker	Corporate and Business Planning Manager	0207 815 6003 j.baker@lsbu.ac.uk	Review and approve final report
Andrew Ratajczak	Manager; Fees, Bursaries and Central Enrolment	ratajca@lsbu.ac.uk	Hold initial scoping meeting Review and meet to discuss issues arising and develop management responses and action plan
Nuria Prades	Head of Operations (International Office)	pradesn@lsbu.ac.uk	
Lisa Upton	Head of Registry	uptonl@lsbu.ac.uk	
Dave Lewis	Software Development Team Leader	dave.lewis@lsbu.ac.uk	Audit Contact

Key contacts

Key contacts – London South Bank University

Name	Title	Contact details	Responsibilities
Jamie Jones	Head of Student Administration	jamie.jones@lsbu.ac.uk	Audit contact
Alan Butt	Student Engagement Team Leader	buttab@lsbu.ac.uk	Audit contact
Sheila Patel	Applications Support and Maintenance Team Leader	sheila@lsbu.ac.uk	Audit contact
Natalie Ferer	Financial Controller	ferern@lsbu.ac.uk	Audit contact
Heather Collins	Apprenticeship Implementation Manager	heather.collins@lsbu.ac.uk	Audit contact



Timetable



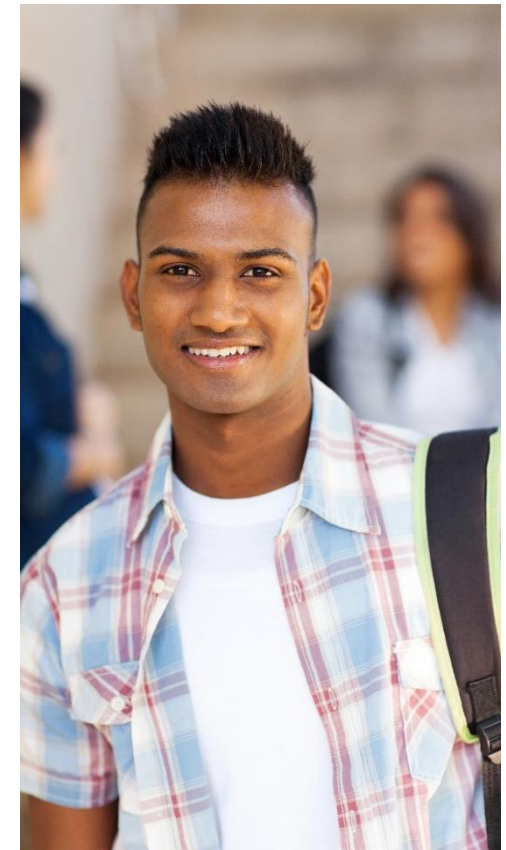
Timetable

	Phase 1	Phase 2
Fieldwork start	04/12/2017	09/04/2018
Fieldwork completed	15/12/2017	20/04/2018
Draft report to client	05/01/2018	04/05/2018
Response from client	19/01/2018	18/05/2018
Final report to client	26/01/2018	25/05/2018

Agreed timescales are subject to the following assumptions:

- All relevant documentation, including source data, reports and procedures, will be made available to us promptly on request.
- Staff and management will make reasonable time available for interviews and will respond promptly to follow-up questions or requests for documentation.

Please note that if the University requests the audit timing to be changed at short notice (2 weeks before fieldwork start) and the audit staff cannot be deployed to other client work, the University may still be charged for all/some of this time. PwC will make every effort to redeploy audit staff in such circumstances.



Appendix 1: Key controls schedule



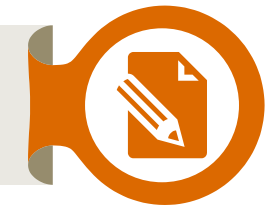
Based upon our understanding of the key student data controls at London South Bank University and in discussion with management, we have agreed that the operating effectiveness of the following controls will be considered. These have been mapped to the key risks identified as in scope above. The deliverables required to complete testing have also been outlined below.

Our testing will be applicable to all students, with the exception of Tier 4 controls which is only relevant to international students.

Enrolment

Key risk	Key Control	Reference
Application and enrolment data may be inaccurate. This could also result in fees not being correct resulting in students being over or undercharged and an associated impact on income.	<p>Following a student record being created in QLS at the application stage, appropriate checks are performed prior to fully enrolled ('EFE') status. These checks include:</p> <ul style="list-style-type: none"> • A full ID check • Criminal conviction check (self-declaration by students) • Entry criteria have been met <p>Key contact: Lisa Upton</p>	S1
Testing approach and deliverables request		
<p>We will obtain a listing from management of students who have applied to London South Bank University and check that the following checks have been performed prior to EFE status:</p> <ul style="list-style-type: none"> • Criminal conviction check (self-declaration by students) • Entry criteria have been met • An enrolment form has been completed and that this confirms an ID check has been performed. 		

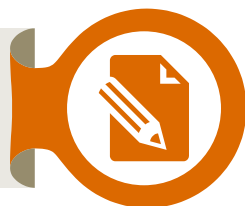
Appendix 1: Key controls schedule



Enrolment (continued)

Key risk	Key Control	Reference
UKVI requirements are not complied with. This could result in London South Bank University losing their license to operate affecting fee income and leading to reputational damage.	Supporting documentation is obtained and retained to ensure Tier 4 requirements are met. Key contact: Nuria Prades	S2
Testing approach and deliverables request		
<p>We will obtain a listing from management of Tier 4 students who have enrolled and select a sample to confirm that the following evidence has been retained on their student record:</p> <ul style="list-style-type: none"> • Copy of the student’s current passport pages showing all personal identity details including biometric details, leave stamps, or immigration status document including their period of leave to remain (permission to stay) in the UK. • Copy of the student’s biometric residence permit (BRP). • Record of the student’s absence/attendance • A history of the student’s contact details to include UK residential address, telephone number and mobile telephone number. • Where the student’s course of study requires them to hold an Academic Technology Approval Scheme (ATAS) clearance certificate, LSBU must keep a copy of the certificate or the electronic approval notice received by LSBU, from the Foreign and Commonwealth Office. • Copies or originals where possible of any evidence assessed by you as part of the process of making an offer to the student, this could be copies of references, examination certificates. <p>We shall also need a list of LSBU courses which require ATAS clearance.</p>		

Appendix 1: Key controls schedule



Enrolment (continued)

Testing approach and deliverables request	Reference
<p>Continued</p> <p><u>LSBU internal requirements before issuing a CAS</u></p> <ul style="list-style-type: none"> · Evidence that financial documents (e.g. bank statements) have been submitted by the student to ensure they meet requirements of Tier 4, with the exception of low-risk nationals; · Evidence that the student meets English language requirements (e.g CEFR level B2 equivalent) · A pre-CAS interview has been conducted with the student (not applicable to low-risk nationals and UK-based PhD students) · A valid TB test has been submitted by the student where applicable; · An Immigration Information Form has been completed <p><u>UKVI Reporting requirements:</u></p> <ul style="list-style-type: none"> · That the Home Office has been informed by the Sponsor Management System (SMS) where the student has started a placement or internship as part of the course. · That the Home Office has been informed by the Sponsor Management System (SMS) where the student has changed course. 	<p>S2</p>

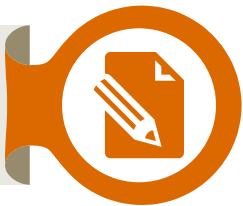
Appendix 1: Key controls schedule



Enrolment - Apprenticeships

Key risk	Key Control	Reference
ESFA requirements are not complied with. This could result in London South Bank University losing funding for apprentices or restrictions being imposed on future apprenticeship programmes.	<p>Before the apprentice is enrolled at the University, the following must be completed:</p> <ul style="list-style-type: none"> • Apprenticeship contract signed by learner, employer and provider ahead of programme start date; • Individual Learning Plan completed (with prior learning information) including calculation of anticipated hours of off the job hours of training; • BKSBS initial assessment results on file; and • DBS check completed (if is a HSC programme). <p>Key contact: Heather Collins</p>	S3
Testing approach and deliverables request		
<p>We will obtain a listing of new apprentices who have enrolled at the University and check that the following have been completed:</p> <ul style="list-style-type: none"> • Apprenticeship contract signed by learner, employer and provider ahead of programme start date; • Individual Learning Plan completed (with prior learning information) including calculation of anticipated hours of off the job hours of training; • BKSBS initial assessment results on file; and • DBS check completed (if is a HSC programme). 		

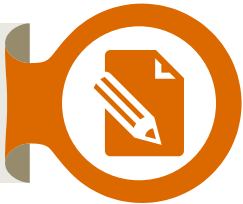
Appendix 1: Key controls schedule



Student Attendance Monitoring

Key risk	Key Control	Reference
<p>Student engagement records are incorrect undermining the reliability of management information.</p>	<p><u>Student Engagement</u></p> <p><i>Applies to all Schools (other than Health & Social Care and students with Tier 4 visas).</i></p> <p>Engagement data is captured in the Student Point of Contact (SPOC) report. The following indications of engagement are monitored:</p> <ul style="list-style-type: none"> • Entry onto campus. • Moodle use. • Attendance at teaching sessions. • Submission of assessment • MyLSBU use. <p>Students failing to meet the minimum thresholds for engagement are investigated.</p> <p>Key contact: Alan Butt</p>	<p>S4</p>
<p>Testing approach and deliverables request</p>		
<p>We will select a sample of students from the most recent engagement report and confirm that actions have been taken to investigate periods where the student fell below the minimum thresholds outlined in the Student Engagement Procedure.</p>		

Appendix 1: Key controls schedule



Student Attendance Monitoring (continued)

Key risk	Key Control	Reference
Student attendance records are incorrect undermining the reliability of management information.	<p><u>Student Attendance</u></p> <p><i>Applies to School of Health & Social Care and students with Tier 4 visas</i></p> <p>Attendance reports from the Student Attendance Monitoring system (SAM) are generated by the School of Health & Social Care to identify periods of non-attendance. Students failing to meet the minimum attendance thresholds are investigated.</p> <p>Key contact: Alan Butt</p>	S5
Testing approach and deliverables request		
We will select a sample of students from the most recent attendance report generated by the School of Health & Social Care and confirm that actions have been taken to investigate periods of non-attendance in accordance with the Attendance Monitoring Procedure.		

Appendix 1: Key controls schedule



Enrolment Amendments

Key risk	Key Control	Reference
Course changes are not identified on a timely basis this could affect fee income, as well as student data quality.	Supporting evidence is obtained prior to processing any course changes or withdrawals. Key contact: Andrew Ratajczak	S6
Testing approach and deliverables request		
<p>We will obtain a report from management of all course changes within the testing period. We will select a sample of students and for each student we will confirm:</p> <ul style="list-style-type: none"> • A form has been completed which supports the change; • The form has been authorised by the student and the School; • The course changes log has been updated and agrees to QLS; • The change was only action on QLS after the form was authorised by the student and faculty and after the course change log was completed; <p>*This will include ETROC and EFAFU codes only.</p>		

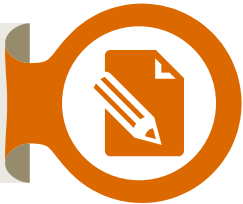
Appendix 1: Key controls schedule



Enrolment Amendments (continued)

Key risk	Key Control	Reference
Reporting of changes in circumstances to the SLC are not reported and processed accurately, completely and on a timely basis. This could mean student data is inaccurate.	Supporting documentation is retained for all change of circumstances. Changes of circumstances are processed on a timely basis. This testing is restricted to the testing of withdrawals. Key contact: Andrew Ratajczak	S7
Testing approach and deliverables request		
We will obtain a listing of all students who have withdrawn in the period and select a sample to test that: <ul style="list-style-type: none"> • There is a letter or form from the student requesting withdrawal; • That the date the change was applied to the system on a timely basis. 		

Appendix 1: Key controls schedule

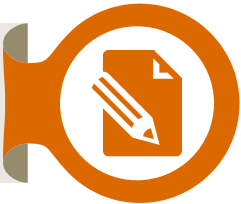


Enrolment Amendments (continued)

Key risk	Key Control	Reference
Student module data is inaccurate or incomplete, undermining the reliability of data.	Exception reports are run to identify changes made to student module data and are investigated. Key contact: Lisa Upton	S8
Testing approach and deliverables request		
We will select a sample of months and confirm that: <ul style="list-style-type: none"> • An exception report has been generated; • The exception report has been discussed at periodic meetings; • Actions have been taken to interrogate and resolve exceptions. 		

Key risk	Key Control	Reference
Student module data is inaccurate or incomplete, undermining the reliability of data.	Evidence is retained to support any changes. Key contact: Lisa Upton	S9
Testing approach and deliverables request		
Using the most recent exception report, we will select a sample of changes to module data and test to confirm that these have been processed correctly and agree to supporting evidence.		

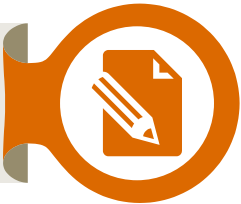
Appendix 1: Key controls schedule



System access

Key risk	Key Control	Reference
Users have unauthorised access and can make inappropriate amendments to student records which could compromise the validity, accuracy and completeness of student data.	All new users of the QLS system must complete an authorisation form which is authorised by their line manager and IT prior to system access. Key contact: Lisa Upton	S10
Testing approach and deliverables request		
We will obtain a listing of all new users set up on QLS in the testing period and select a sample of users to test that: <ul style="list-style-type: none"> • An authorisation form was completed; • The form has been authorised by their line manager and IT; • The form is dated before their system set up date. 		

Appendix 1: Key controls schedule



System access (continued)

Key risk	Key Control	Reference
Users have unauthorised access and can make inappropriate amendments to student records which could compromise the validity, accuracy and completeness of student data.	Leavers are removed from the system on a timely basis. Key contact: Lisa Upton	S11
Testing approach and deliverables request		
We will obtain a listing of all leavers during the testing period and select a sample of users to test that their account has been de-activated.		

Appendix C: Limitations and responsibilities

Limitations inherent to the internal auditor's work

We have undertaken this review subject to the limitations outlined below:

Internal control

Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

Future periods

Our assessment of controls is for the period specified only. Historic evaluation of effectiveness is not relevant to future periods due to the risk that:

- The design of controls may become inadequate because of changes in operating environment, law, regulation or other changes; or
- The degree of compliance with policies and procedures may deteriorate.

Responsibilities of management and internal auditors

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

We endeavour to plan our work so that we have a reasonable expectation of detecting significant control weaknesses and, if detected, we carry out additional work directed towards identification of consequent fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected.

Accordingly, our examinations as internal auditors should not be relied upon solely to disclose fraud, defalcations or other irregularities which may exist.

This document has been prepared only for London South Bank University and solely for the purpose and on the terms agreed with London South Bank University in our agreement dated 16 October 2017. We accept no liability (including for negligence) to anyone else in connection with this document, and it may not be provided to anyone else.

Internal audit work was performed in accordance with PwC's Internal Audit methodology which is aligned to the Memorandum of Assurance and Accountability between Higher Education Funding Council for England (HEFCE) and institutions. As a result, our work and deliverables are not designed or intended to comply with the International Auditing and Assurance Standards Board (IAASB), International Framework for Assurance Engagements (IFAE) and International Standard on Assurance Engagements (ISAE) 3000.

In the event that, pursuant to a request which London South Bank University has received under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004 (as the same may be amended or re-enacted from time to time) or any subordinate legislation made thereunder (collectively, the "Legislation"), London South Bank University is required to disclose any information contained in this document, it will notify PwC promptly and will consult with PwC prior to disclosing such document. London South Bank University agrees to pay due regard to any representations which PwC may make in connection with such disclosure and to apply any relevant exemptions which may exist under the Legislation to such [report]. If, following consultation with PwC, London South Bank University discloses any this document or any part thereof, it shall ensure that any disclaimer which PwC has included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.

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	CONFIDENTIAL
Paper title:	Internal Audit Report on Management of International Partnerships
Board/Committee	Audit Committee
Date of meeting:	7 June 2018
Author:	PriceWaterhouse Coopers
Executive/Operations sponsor:	Paul Ivey – Pro Vice Chancellor – Research & External Engagement
Purpose:	For Information; to provide Committee with the report on the risk, and the related action plan
Recommendation:	Committee is requested to note: <ul style="list-style-type: none"> • the report and its findings

Executive Summary

The report is classified overall as high risk, with two high risk findings, and one medium risk finding.

These relate to lack of routine evidencing of some stages in the due diligence processes, although some issues were historical, and full details are provided on pages 7-9.

- The Committee is requested to consider the report and review its findings

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Internal Audit Report 2017/2018

International Partnership Arrangements

*London South Bank
University*

Final

July 2018

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Background and scope

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- A. Basis of our classifications
- B. Terms of reference
- C. Limitations and responsibilities

Distribution list

For action: Paul Ivey (Pro-Vice-Chancellor)
Stuart Bannerman (Director International)
Tanya Perez (Faculty Administrator)
Mandy Maidment (Academic Director of Partnerships)

For information: Richard Flatman (Chief Financial Officer),
John Baker (Corporate and Business Planning Manager)



Executive summary

Report classification

High



Trend

N/A – We have not performed this review before.

Total number of findings

	Critical	High	Medium	Low	Advisory
Control design	-	1	-	-	-
Operating effectiveness	-	1	1	-	-
Total	-	2	1	-	-



Headlines/summary of findings

London South Bank University (LSBU) has nearly 200 arrangements with international partners. Within the last year, a process has been undertaken to terminate loss-making contracts, revise the process for entering into new arrangements and monitor the academic and financial performance of existing international partnership arrangements.

The objective of this audit is to review the controls in place for assessing international partners and monitoring the academic quality and financial performance of international partnership arrangements.

We identified *two high risk* findings relating to the performance of initial assessments:

- For 3/4 international partnerships, evidence of an initial assessment and due diligence checks could not be provided. The three exceptions relate to agreements which commenced prior to the new process introduced in April 2017.
- A log of academic quality checks completed over international partners is not retained. There is no process in place to monitor the overall financial performance of international partnership arrangements.

We identified *one medium risk* finding:

- A signed memorandum of cooperation was not in place for 1/4 international partnerships

Background and scope (1 of 3)



Background and audit objectives

London South Bank University (LSBU) has nearly 200 arrangements with international partners. Within the last year, a process has been undertaken to terminate loss-making contracts, revise the process for entering into new arrangements and monitor the academic and financial performance of existing international partnership arrangements.

The objective of this audit is to review the controls in place for assessing international partners and monitoring the academic quality and financial performance of international partnership arrangements.

We believe our work will touch upon the following areas of our annual report to Audit Committee:

Total plan days	Financial Control	Value for Money	Data Quality	Corporate Governance	Risk management
10	x	x	x	X	x

X = area of primary focus

x = possible area of secondary focus



Background and scope (2 of 3)



Sub-process	Objectives
International Partnership Arrangements policy and process guidance	<p>There is a defined policy and / or guidance notes outlining the process and controls for assessing new international partners and monitoring the performance of existing international partnership arrangements.</p> <p>Policies and guidance for international partnership arrangements include:</p> <ul style="list-style-type: none"> • Defined roles and responsibilities; • Review, authorisation and approval requirements for entering into new arrangements; • The process and controls for monitoring existing arrangements; and • The process and controls for managing and terminating poor performing arrangements. <p>There is evidence to support compliance with this process.</p>
Assessment of International Partnership Arrangements	<p>There are controls in place to assess and approve new international partnership arrangements. These controls should include:</p> <ul style="list-style-type: none"> • Completion of a risk assessment, incorporating due diligence checks; • Academic approval; • Clearance from finance, legal and administrative departments.
Monitoring of International Partnership Arrangements	<ul style="list-style-type: none"> • Controls are in place to retain accurate records of international partners; • There are controls in place to monitor the academic quality and financial performance international partnership arrangements.



Background and scope (3 of 3)



Limitations of scope

The scope of our work will be limited to those areas outlined on page 5.

This review will only consider the controls in place for a sample of international partnership arrangements.

Our review will be performed in the context of the information provided to us. Where circumstances change the review outputs may no longer be applicable. In these situations, we accept no responsibility



International partnerships – initial assessment

Operating effectiveness

1

Findings

A new policy document “Strategic Approach to Academic Collaboration” was introduced on 25 April 2017. The policy document sets out the initial assessment and due diligence checks which must be completed before any agreement is signed.

For 3/4 international partnerships reviewed, evidence could not be provided that a risk assessment or due diligence checks had been performed. All three pre-date the new process introduced in April 2017. We confirmed that the one international partnership in our sample which commenced after April 2017 followed the proper process.

Implications

Without performing an initial assessment on international partnerships, LSBU could be entering into partnerships which could damage their reputation and/or lead to a financial loss.

Action plan

The revised policy document introduces the required assessment stages in the partnership due diligence process. A partnerships update report is now provided to the Executive every 6 months, to provide progress updates on the partnership closure programme where existing relationships do not meet the new threshold, and this also incorporates a pilot programme incorporating external input from external accountants with regard to the assessment of new partners.

This report will ratify all current partnerships on a post facto basis, and the new Senior Partnerships manager will take responsibility for tracking this progress.

Responsible person/title:

*Stuart Bannerman
(Director International)*

Target date:

November 2018

Reference number:

IPA-1

Finding rating

Rating

High

International partnerships – monitoring

Control Design

2

Page 126

Finding rating

Rating

High

Findings

We reviewed the controls in place for monitoring the on-going performance of international partners, we identified:

- LSBU does not keep a log of the checks completed to validate the academic quality of international partners (i.e. a list of exam papers reviewed). At the time the internal audit was undertaken a new process was being trialled to utilise Moodle to retain a record of the academic quality checks completed over the BUE partnership. If this is successful, the process will be expanded to other international partners.
- LSBU currently only monitors income generated from partnerships, rather than overall financial performance.

Implications

Without a record of the academic quality checks, LSBU will be unable to confirm whether all required checks have been completed. This could mean that academic checks are missed, or not completed to the expected standard, meaning that issues with the international partner are not identified. As international partners use LSBU name to gain credibility, short-comings in academic quality of international partners could have a significant impact on the LSBU's reputation.

As overall financial performance is not monitored, LSBU are unable to identify whether any of their international partnership agreements are loss-making. This could lead to financial loss to the University.

Action plan

A shared digital drive for partnerships is now in place which enables all parties to securely store and access the relevant documents for the ongoing management and reporting of partnership activity.

A new financial model is in development, which will enable the measurement of partnership financial performance on an ongoing basis.

Responsible person/title:

Stuart Bannerman (Director International)

Target date:

November 2018

Reference number:

IPA-2

International partnerships – signed agreements

Operating Effectiveness

3

Findings

A signed Memorandum of Cooperation should be in place for every international partnership arrangement. This document sets out the terms and conditions in place for all agreements.

We selected a sample of four international partnerships and tested whether or not there was a Memorandum of Cooperation available for each partnership. For one of the partnerships (ASU) a copy of the Memorandum of Cooperation was provided, however this was not signed by either party.

Implications

Without a signed Memorandum of Cooperation, LSBU will be exposing themselves to legal and financial risk.

Action plan

The international Office will work with the systems team in Research Enterprise & Innovation to enable the use of their Haplo software platform to track and manage all potential partnership activity. This will enable snapshot reporting of progress across the institution enabling all interested parties to track progress in real time, and utilise the CRM benefits within this platform.

Responsible person/title:

*Stuart Bannerman
(Director International)*

Target date:

September 2018

Reference number:

IPA-3

Finding rating

Rating

Medium



**Appendix A: Basis of our
classifications**

**Appendix B: Terms of
reference**

**Appendix C: Limitations
and responsibilities**

Appendices

Page 128

Appendix A: Basis of our classifications

Individual finding ratings

Critical

A finding that could have a:

- **Critical** impact on operational performance resulting in inability to continue core activities for more than two days; or
- **Critical** monetary or financial statement impact £5m; or
- **Critical** breach in laws and regulations that could result in material fines or consequences over £500k; or
- **Critical** impact on the reputation or brand of the organisation which could threaten its future viability, e.g. high-profile political and media scrutiny i.e. front-page headlines in national press.

High

A finding that could have a:

- **Significant** impact on operational performance resulting in significant disruption to core activities; or
- **Significant** monetary or financial statement impact of £2m; or
- **Significant** breach in laws and regulations resulting in significant fines and consequences over £250k; or
- **Significant** impact on the reputation or brand of the organisation, resulting in unfavourable national media coverage.

Medium

A finding that could have a:

- **Moderate** impact on operational performance resulting in moderate disruption of core activities or significant disruption of discrete non-core activities; or
- **Moderate** monetary or financial statement impact of £1m; or
- **Moderate** breach in laws and regulations resulting in fines and consequences over £100k; or
- **Moderate** impact on the reputation or brand of the organisation, resulting in limited unfavourable media coverage.

Appendix A: Basis of our classifications

Individual finding ratings

Low

A finding that could have a:

- **Minor** impact on the organisation’s operational performance resulting in moderate disruption of discrete non-core activities; or
- **Minor** monetary or financial statement impact of £500k; or
- **Minor** breach in laws and regulations with limited consequences over £50k; or
- **Minor** impact on the reputation of the organisation, resulting in limited unfavourable media coverage restricted to the local press.





Advisory

A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.

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Report classifications

The report classification is determined by allocating points to each of the findings included in the report.

Findings rating	Points	Report classification	Points
Critical	40 points per finding	 Low risk	6 points or less
High	10 points per finding	 Medium risk	7 – 15 points
Medium	3 points per finding	 High risk	16 – 39 points
Low	1 point per finding	 Critical risk	40 points and over

Appendix B: Terms of reference

International Partnership Arrangements

To: Paul Ivey - Pro-Vice-Chancellor (Research and External Engagement)

From: Justin Martin – Head of Internal Audit

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Background and audit objectives



This review is being undertaken as part of the 2017/18 internal audit plan approved by the Audit Committee.

Background and audit objectives

London South Bank University (LSBU) has nearly 200 arrangements with international partners. Within the last year, a process has been undertaken to terminate loss-making contracts, revise the process for entering into new arrangements and monitor the academic and financial performance of existing international partnership arrangements.

The objective of this audit is to review the controls in place for assessing international partners and monitoring the academic quality and financial performance of international partnership arrangements.

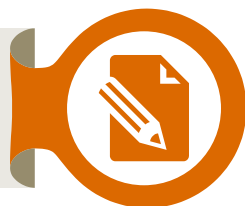
We believe our work will touch upon the following areas of our annual report to Audit Committee:

Total plan days	Financial Control	Value for Money	Data Quality	Corporate Governance	Risk management
10	x	x	x	X	x

X = area of primary focus

x = possible area of secondary focus

Audit scope and approach (1 of 2)

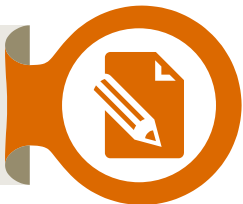


Scope

The sub-processes and related control objectives included in this review are:

Sub-process	Objectives
International Partnership Arrangements policy and process guidance	<p>There is a defined policy and / or guidance notes outlining the process and controls for assessing new international partners and monitoring the performance of existing international partnership arrangements.</p> <p>Policies and guidance for international partnership arrangements include:</p> <ul style="list-style-type: none"> • Defined roles and responsibilities; • Review, authorisation and approval requirements for entering into new arrangements; • The process and controls for monitoring existing arrangements; and • The process and controls for managing and terminating poor performing arrangements. <p>There is evidence to support compliance with this process.</p>
Assessment of International Partnership Arrangements	<p>There are controls in place to assess and approve new international partnership arrangements. These controls should include:</p> <ul style="list-style-type: none"> • Completion of a risk assessment, incorporating due diligence checks; • Academic approval; • Clearance from finance, legal and administrative departments.
Monitoring of International Partnership Arrangements	<ul style="list-style-type: none"> • Controls are in place to retain accurate records of international partners; • There are controls in place to monitor the academic quality and financial performance international partnership arrangements.

Audit scope and approach (2 of 2)



Limitations of scope

The scope of our work will be limited to those areas outlined on page 3.

This review will only consider the controls in place for a sample of international partnership arrangements.

Our review will be performed in the context of the information provided to us. Where circumstances change the review outputs may no longer be applicable. In these situations, we accept no responsibility

Audit approach

Our audit approach is as follows:

- Obtain an understanding of the process through discussions with key personnel, review of methodology and procedure notes and walkthrough tests;
- Identify the key risks relating to the process;
- Evaluate the design of the controls in place to address the key risks;
- Test the operating effectiveness of the key controls.



Internal audit team and key contacts



Internal audit team

Name	Role	Contact details
Justin Martin	Head of Internal Audit	Telephone: 0207 212 4269 Email: justin.f.martin@pwc.com
Lucy Gresswell	Engagement Manager	Telephone: 07718 098 321 Email: lucy.j.gresswell@pwc.com
Janak Savjani	Internal Auditor	Telephone: 07802 660 974 Email: janak.j.savjani@pwc.com

Key contacts – London South Bank University

Name	Title	Contact details	Responsibilities
Paul Ivey	Pro-Vice-Chancellor (Research and External Engagement) - Audit Sponsor	0207 815 6002 iveyp@lsbu.ac.uk	Review and approve terms of reference
Stuart Bannerman	Director International	stuart.bannerman@lsbu.ac.uk	Review draft report
Tanya Perez	Faculty Administrator	perezta@lsbu.ac.uk	Review and approve final report
Mandy Maidment	Academic Director of Partnerships	020 7815 7901 maidmem@lsbu.ac.uk	Hold initial scoping meeting
Richard Flatman	Chief Financial Officer	0207 815 6301 richard.flatman@lsbu.ac.uk	Review and meet to discuss issues arising and develop management responses and action plan
John Baker	Corporate and Business Planning Manager	0207 815 6003 j.baker@lsbu.ac.uk	Receive draft and final terms of reference
			Receive draft report
			Receive final report

Timetable



Timetable

Fieldwork start	4 December 2017
Fieldwork completed	15 December 2017
Draft report to client	5 January 2018
Response from client	19 January 2018
Final report to client	26 January 2018

Agreed timescales are subject to the following assumptions:

- All relevant documentation, including source data, reports and procedures, will be made available to us promptly on request.
- Staff and management will make reasonable time available for interviews and will respond promptly to follow-up questions or requests for documentation.

Please note that if the University requests the audit timing to be changed at short notice (2 weeks before fieldwork start) and the audit staff cannot be deployed to other client work, the University may still be charged for all/some of this time. PwC will make every effort to redeploy audit staff in such circumstances.



Information Request



Please find attached a deliverables listing outlining items we expect to have available on the first day of the audit:

- Copies of all relevant policy and procedure notes;
- Access to minutes from any relevant meetings and associated reports; and
- A listing of all international partnership agreements

For the sample of international partnership arrangements, please provide the following:

- The contract/ agreement with the partner;
- Evidence of the internal approvals obtained before entering into the arrangement with the partner;
- Evidence of the risk assessment and due diligence checks completed over the partner; and
- Evidence that the performance of the partner has been assessed periodically by LSBU.

This listing is not exhaustive, additional items may be asked for on request.

Appendix C: Limitations and responsibilities

Limitations inherent to the internal auditor's work

We have undertaken this review subject to the limitations outlined below:

Internal control

Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

Future periods

Our assessment of controls is for the period specified only. Historic evaluation of effectiveness is not relevant to future periods due to the risk that:

- The design of controls may become inadequate because of changes in operating environment, law, regulation or other changes; or
- The degree of compliance with policies and procedures may deteriorate.

Responsibilities of management and internal auditors

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

We endeavour to plan our work so that we have a reasonable expectation of detecting significant control weaknesses and, if detected, we carry out additional work directed towards identification of consequent fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected.

Accordingly, our examinations as internal auditors should not be relied upon solely to disclose fraud, defalcations or other irregularities which may exist.

This document has been prepared only for London South Bank University and solely for the purpose and on the terms agreed with London South Bank University in our agreement dated 16 October 2017. We accept no liability (including for negligence) to anyone else in connection with this document, and it may not be provided to anyone else.

Internal audit work was performed in accordance with PwC's Internal Audit methodology which is aligned to the Memorandum of Assurance and Accountability between Higher Education Funding Council for England (HEFCE) and institutions. As a result, our work and deliverables are not designed or intended to comply with the International Auditing and Assurance Standards Board (IAASB), International Framework for Assurance Engagements (IFAE) and International Standard on Assurance Engagements (ISAE) 3000.

In the event that, pursuant to a request which London South Bank University has received under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004 (as the same may be amended or re-enacted from time to time) or any subordinate legislation made thereunder (collectively, the "Legislation"), London South Bank University is required to disclose any information contained in this document, it will notify PwC promptly and will consult with PwC prior to disclosing such document. London South Bank University agrees to pay due regard to any representations which PwC may make in connection with such disclosure and to apply any relevant exemptions which may exist under the Legislation to such [report]. If, following consultation with PwC, London South Bank University discloses any this document or any part thereof, it shall ensure that any disclaimer which PwC has included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.

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	CONFIDENTIAL
Paper title:	Draft Internal Audit Plan 2018 – 2019
Board/Committee	Audit Committee
Date of meeting:	7 June 2018
Author:	PriceWaterhouse Coopers
Executive/Operations sponsor:	Richard Flatman – Chief Financial Officer
Purpose:	To provide Committee with the draft plan for the Internal Audit programme for the 18/19 Academic Year.
Recommendation:	Committee is requested to review: <ul style="list-style-type: none"> • the draft plan

Executive Summary

The draft Internal Audit programme for the 18/19 Academic Year is attached.

The plan overview is featured on pages 12-13, and includes four elements that feature every year; continuous audit of financial systems, and continuous audit of student data, and reports on risk management and value for money.

A risk assessment of the audit universe has been undertaken, and the additional reviews proposed include a review of financial controls around the Multi Academy Trust in Q1, a review of Procurement in Q2, of IT Disaster Recovery & GDPR compliance, and the LSBU Innovation Centre in Q3, and CMA compliance in Q4.

- The Committee is requested to review the draft plan

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Internal Audit Risk Assessment and Plan 2018/19

DRAFT

London South Bank
University

May 2018

DRAFT

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Distribution List

For action	Audit Committee Members Richard Flatman – Executive Director of Finance
For information	James Stevenson – University Secretary to the Clerk of the Board of Governors

This document has been prepared only for London South Bank University and solely for the purpose and on the terms agreed with London South Bank University.

1. Introduction and approach

Introduction

This document sets out our risk assessment and our 2018/19 Internal Audit Risk Assessment and Plan (the Internal Audit Plan) for London South Bank University.

Approach

A summary of our approach to undertaking the risk assessment and preparing the Internal Audit Plan is set out below. The Internal Audit Plan is driven by London South Bank University's organisational objectives and priorities and the risks that may prevent London South Bank University from meeting those objectives. A more detailed description of our approach can be found in Appendix 1 and 2.



Basis of our plan

We have budgeted 140 days for our 2018/19 Internal Audit Plan, this includes an additional 15 days allocated to reviewing the key financial controls in place at The South Bank Academies Trust. In our view, this is the minimum number of days required to support our Annual Audit Opinion.

As the Internal Audit Plan has been limited to 140 days, it does not claim to address all key risks identified across the audit universe as part of the risk assessment process. The level of internal audit activity represents a deployment of limited internal audit resources and in approving the Internal Audit Plan the Audit Committee recognises this limitation.

Basis of our annual internal audit conclusion

Internal audit work will be performed in accordance with PwC's Internal Audit methodology which is aligned to the Office for Students (OfS) Memorandum of Assurance and Accountability (MAA). As a result, our work and deliverables are not designed or intended to comply with the International Auditing and Assurance Standards Board (IAASB), International Framework for Assurance Engagements (IFAE) and International Standard on Assurance Engagements (ISAE) 3000.

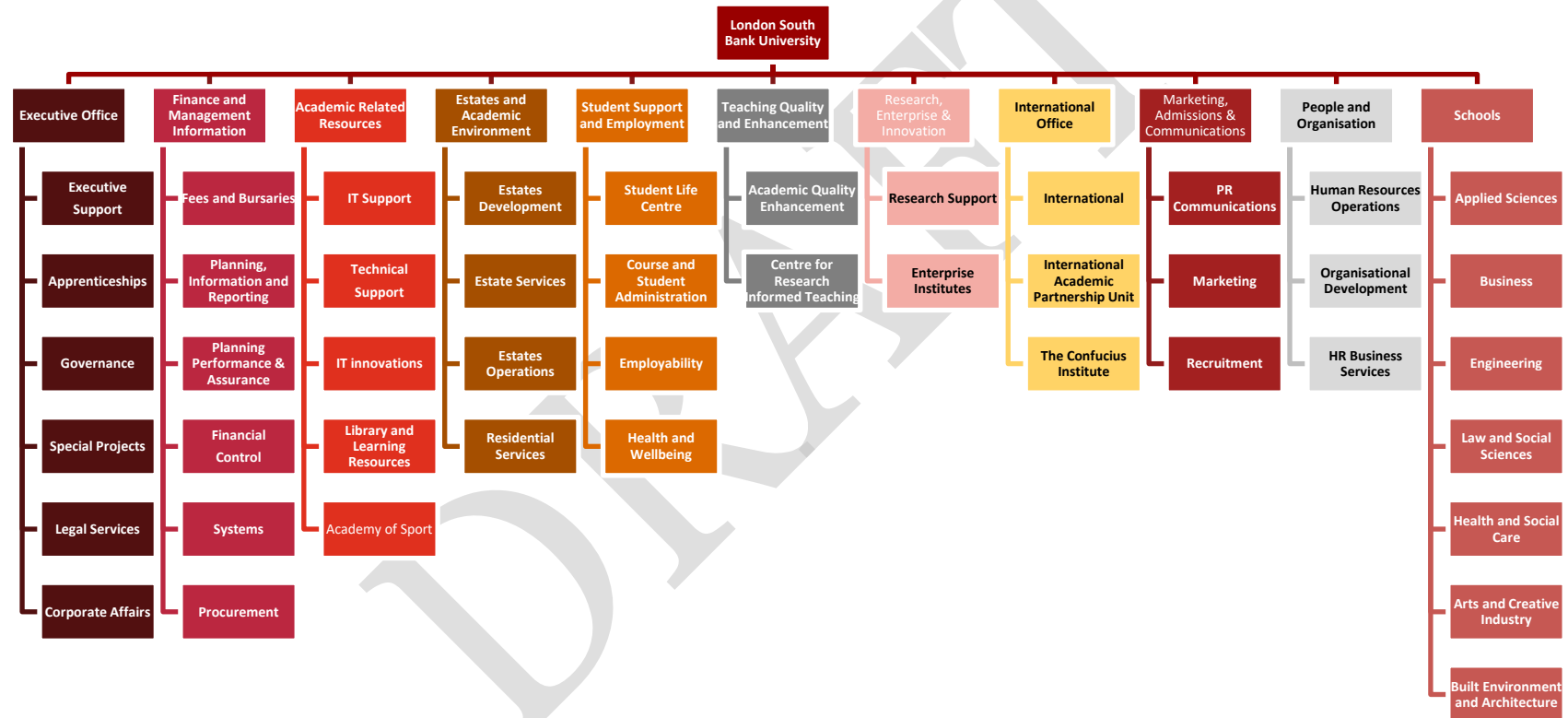
Our annual internal audit opinion will be based on and limited to the internal audits we have completed over the year and the control objectives agreed for each individual internal audit.

DRAFT

2. Audit universe, corporate objectives and risks

Audit universe

The diagram below represents the auditable units within the audit universe of London South Bank University and form the basis of the Internal Audit Plan.



Corporate objectives and risks

Corporate level objectives and risks have been determined by London South Bank University. We have outlined all critical and high risks from the corporate risk register within Appendix 3 and have considered these when preparing the Internal Audit Plan.

3. *Internal Audit Plan and indicative timeline*

OfS Requirements

The OfS Audit Code of Practice within the OfS MAA does not include guidance on the practice of internal audit but does endorse the approach set out in the Code of Ethics and International Standards (January 2009) of the Institute of Internal Auditors (IIA).

The OfS Audit Code of Practice requires Internal Audit to provide the governing body, the designated officer and other managers within the University with assurance on the adequacy and effectiveness of risk management, control and governance arrangements. This supports the requirement for Higher Education Institutions (HEIs) to have effective arrangements in place over these three key areas.

We are also required to include in our annual report an opinion over your arrangements for securing economy, efficiency and effectiveness (value for money).

The Audit Committee is also required to include a conclusion on data quality arrangements as part of its annual report. Whilst this is not mandated for internal audit coverage in the OfS Audit Code of Practice, management of HEIs typically ask us to cover this area to support the assurances underpinning the Audit Committee's annual report.

Based on this we see five minimum requirements for internal audit work in order to meet the minimum OfS compliance requirements within the OfS Audit Code of Practice as shown in this diagram.



Key Priorities

In line with the OfS Audit Code of Practice, internal audit plans should be reviewed on a regular basis to ensure that the internal audit services provided continue to reflect the changing needs and priorities of the HEI. With our knowledge of London South Bank University and the way it operates we have identified the following current priorities and have produced our 2018/19 plan to reflect these priorities.

Data Quality

Robust reporting is essential to the activity of all HEIs, with the need to report externally as well as making appropriate internal management decisions. The OfS Audit Code of Practice includes guidance on assurances sought from designated officers and Audit Committees around the management and quality assurance arrangements for data submitted to the Higher Education Statistics Agency (HESA), OfS and other funding bodies.

The Audit Committee's annual report must include an opinion on the adequacy and effectiveness of arrangements for the management and quality assurance of these data submissions.

Our 2018/19 plan includes continuous auditing of key student data controls and will provide additional oversight of the design and effectiveness of controls over data quality.

Risk Management and Governance

The Audit Committee needs assurance that the risks facing London South Bank University are being managed properly. We will perform a review of risk management in 2018/19 and consider governance arrangements as part of all our internal audits.

Financial Systems Key Controls

We will continue to perform continuous auditing of key financial systems. Continuous auditing is the process of ongoing testing of key controls on a regular basis throughout the year, to assess whether they are operating effectively and to flag areas and report transactions that appear to circumvent control parameters. We will apply this approach to payroll, accounts receivable, accounts payable, cash and general ledger.

Value for Money

The OfS Audit Code of Practice makes reference to the fact that in the Higher Education sector there is an underlying duty of care to ensure that public funds are spent on the purposes for which they are intended, and that good value for money is sought. This duty is included as a condition of grant in the OfS Financial Memorandum between the Department for Education (DfE) and OfS. Value for money may be considered in two ways;

- Considering value for money in each of the systems examined; or
- Conducting specific, more detailed, reviews of key areas where there is seen to be an opportunity for significant improvement.

We are required to include an opinion on the adequacy and effectiveness of London South Bank University's value for money arrangements (not results, outputs or achievement) in our annual internal audit report to the Audit Committee, governing body and designated officer. A review of value for money arrangements will be performed in 2018/19.

Follow Up Reviews

The purpose of follow up of internal audit recommendations is to reinforce the importance of controls within the Institution, and provides updated information about whether important risks have been properly dealt with through remedial control actions. We will continue to perform follow up work in 2018/19 and report progress through to the Audit Committee.

Risk assessment results

Each auditable unit has been assessed for inherent risk and the strength of the control environment, in accordance with the methodology set out in Appendix 1 and 2. The results are summarised in the table below.

Ref	Auditable Unit	Inherent Risk Rating	Control Environment Indicator	Audit Requirement Rating	Colour code	Frequency	Comments
A	Executive Office						
A.1	Governance	5	3	4	●	Annual	We will test that there are appropriate governance arrangements in place in all of our reviews.
A.2	Executive Support	2	3	N/a	N/a	N/a	No particular risks identified as part of planning.
A.3	Legal Services	4	4	2	●	Every three years	We will perform an internal audit reviewing the controls in place for complying with the Competition and Markets Authority (CMA) guidelines.
A.4	Corporate Affairs	4	4	2	●	Every three years	We performed a review of London South Bank University's readiness for the introduction of the EU General Data Protection Regulation (GDPR) in 2016/17. No internal audit due until 2019/20.
A.5	Special Projects	2	2	1	●	N/a	Assessed as lower risk. No internal audit planned for 2017/18.
A.6	Apprenticeships	4	2	3	●	Every two years	Controls over apprenticeships are included in our continuous auditing programme over student data.
B	Finance and Management Information						
B.1	Planning Information and Reporting	6	4	4	●	Annual	Risk management and value for money arrangements will be covered every year.
B.2	Planning Performance and Assurance	6	4	4	●	Annual	
B.3	Financial Control	5	3	4	●	Annual	We perform continuous auditing on key financial systems twice per year. This audit captures controls in place for payroll, accounts payable, account receivable, general ledger and cash.
B.4	Fees and Bursaries	5	3	4	●	Annual	We perform continuous auditing on key student data controls twice per year.
B.5	Procurement	4	3	3	●	Every two years	We have included a procurement review in the 2018/19 plan.

Ref	Auditable Unit	Inherent Risk Rating	Control Environment Indicator	Audit Requirement Rating	Colour code	Frequency	Comments
B.6	Systems	5	4	3	●	Every two years	Systems are tested through our annual IT audit and continuous auditing programme. A specific internal audit on systems is not planned for 2018/19.
C	People and Organisation						
C.1	Human Resources Operations (HR)	5	3	4	●	Annual	We reviewed the implementation of the new HR System in 2016/17. We also completed a review of the HR controls following the implementation of the new system in 2017/18.
C.2	HR Business Services	5	3	4	●	Annual	
C.3	Organisational Development	5	3	4	●	Annual	Elements of the HR system controls are tested as part of our continuous auditing programme. A specific internal audit on People and Organisation is not planned for 2018/19.
D	International Office						
D.1	International	4	3	3	●	Every two years	We performed a review on International Partnership Arrangements in the 2017/18 internal audit plan. No internal audit planned on this area for 2018/19.
D.2	International Academic Partnership Unit	4	3	3	●	Every two years	
D.3	The Confucius Institute	2	2	1	●	N/a	Assessed as lower risk. No internal audit planned for 2018/19.
E	Marketing, Admissions & Communications						
E.1	PR Communications	3	3	2	●	Every three years	A review covering PR Communications and Marketing is due in 2019/20.
E.2	Marketing	3	3	2	●	Every three years	
E.3	Recruitment	5	3	3	●	Every two years	We completed a HR audit in the 2017/18 audit plan. A specific internal audit on Recruitment is not planned for 2018/19. Elements of recruitment are also captured in our continuous auditing programme of key financial systems.
F	Research, Enterprise & Innovation						
F.1	Research Support	5	4	3	●	Every two years	We will perform an internal audit reviewing the The London South Bank Innovation Centre (LSBIC), specifically focused on the funding agreement from

Ref	Auditable Unit	Inherent Risk Rating	Control Environment Indicator	Audit Requirement Rating	Colour code	Frequency	Comments
							European Commission's Horizon 2020 programme.
F.2	Enterprise Institutes	2	2	1	●	N/a	Assessed as lower risk. No internal audit planned for 2018/19.
G	Teaching Quality and Enhancement						
G.1	Academic Quality Enhancement	2	2	1	●	N/a	Assessed as lower risk. No internal audit planned for 2018/19.
G.2	Centre for Research Informed Training	2	2	1	●	N/a	Assessed as lower risk. No internal audit planned for 2018/19.
H	Academic Related Resources						
H.1	IT Support	5	2	4	●	Annual	Given HE-wide risks concerning IT and its impact on the student experience, as well as consistent high risk reports in this area, we have included an IT audit in the 2018/19 plan.
H.2	Technical Support	4	2	3	●	Every two years	
H.3	IT Innovations	4	2	3	●	Every two years	
H.4	Library and Learning Resources	2	2	1	●	N/a	Assessed as lower risk. No internal audit planned for 2018/19.
I	Estates and Academic Environment						
I.1	Estates Development	3	3	2	●	Every three years	We included a review of Fire Safety Management in our 2017/18 internal audit plan. No internal audit planned for 2018/19.
I.2	Estates Services	3	3	2	●	Every three years	
I.3	Technical Services	3	3	N/a	N/a	N/a	No particular risks identified as part of planning.
I.4	Residential Services	3	4	N/a	N/a	N/a	No particular risks identified as part of planning.
J	Student Support and Employment						
J.1	Student Life Centre	2	2	1	●	N/a	Assessed as lower risk. No internal audit planned for 2018/19.
J.2	Course and Student Administration	5	3	4	●	Annual	Student attendance and engagement is covered by student data continuous auditing every year.
J.3	Employability	2	2	1	●	N/a	Assessed as lower risk. No internal audit planned for 2018/19.

Ref	Auditable Unit	Inherent Risk Rating	Control Environment Indicator	Audit Requirement Rating	Colour code	Frequency	Comments
J.4	Health and Wellbeing	2	2	1	●	N/a	Assessed as lower risk. No internal audit planned for 2018/19.
J.5	Academy of Sport	2	2	1	●	N/a	Assessed as lower risk. No internal audit planned for 2018/19.
K	Schools						
J.1	Applied Sciences	5	3	4	●	Annual	Elements of controls operated by Schools are picked up through our continuous auditing programme of key financial systems and student data.
J.2	Business	5	3	4	●	Annual	
J.3	Built Environment and Architecture	5	3	4	●	Annual	
J.4	Engineering	5	3	4	●	Annual	
J.5	Law and Social Sciences	5	3	4	●	Annual	
J.6	Health and Social Care	5	3	4	●	Annual	
J.7	Arts and Creative Industry	5	3	4	●	Annual	

Key to frequency of audit work

Audit Requirement Rating	Frequency – PwC standard approach	Colour Code
6	Annual	●
5	Annual	●
4	Annual	●
3	Every two years	●
2	Every three years	●
1	No further work	●

4. Annual plan and internal audit performance

Annual plan and indicative timeline

The following table sets out the internal audit work planned for 2018/19 with indicative start dates for each audit.

Ref	Auditable Unit	Indicative number of audit days	2018/19				Comments
			Q1	Q2	Q3	Q4	
A	Executive Office						
A.3	CMA Compliance	10				✓	We will perform an internal audit reviewing the controls in place for complying with the Competition and Markets Authority (CMA) guidelines.
B	Finance and Management Information						
B.1	Risk Management	5				✓	<ul style="list-style-type: none"> • Policies and Procedures • Reporting and Monitoring of risk • Risk Identification • Embedding Risk Management
B.1	Value for Money	3				✓	OfS requirement. We will also consider value for money arrangements on other reviews performed.
B.3	Continuous Auditing – Key Financial Controls	30	✓	✓			<p>We will review controls in the following areas:</p> <ul style="list-style-type: none"> • General Ledger • Cash • Accounts Payable • Accounts Receivable • Payroll
B.3	The South Bank Academies Trust – Key Financial Controls	15	✓				We will perform a review of the key financial controls in place at The South Bank Academies Trust. The review will be a “deep dive” walkthrough of controls, focused on identifying control gaps and weaknesses in the design of controls.
B.4	Continuous Auditing – Student Data	25		✓	✓		Rolling cycle of reviews of key controls over student data. To also include compliance checks with UKVI.
B.5	Procurement	10		✓			We will review controls in place for procurement, including due

								diligence, risk management and value for money.
F	Research, Enterprise & Innovation							
F.1	The London South Bank Innovation Centre (LSBIC)	10					✓	We will perform an internal audit on The LSBIC, specifically focused on the funding agreement for research from the European Commission's Horizon 2020 programme.
H	Academic Related Resources							
H.1	IT Disaster Recovery & GDPR compliance	17					✓	IT Disaster Recovery was identified as a high risk area from the 2016/17 IT Risk Diagnostic. We will review the controls in place for IT Disaster Recovery. We will also review the IT controls in respect of GDPR.
Z	Audit Project Management							
Z.1	Planning and Management	10	✓	✓	✓	✓		
Z.2	Follow Up	5	✓	✓	✓	✓		
	Total Days	140						

Suggested areas where further assurance from Internal Audit may be required:

From our work undertaken during 2017/18 and discussions with management, there are additional reviews that we believe management and the Audit Committee should consider for inclusion in the 2018/19 plan in addition to the core days on the previous page. These include:

- You are investing in your information systems but opportunities could be missed if the IT platform doesn't enable you to meet your outcomes or comply with your financial control requirements. The impact of a failure related to data loss, system failure, lack of business continuity, system and information breach for example is huge, not only operationally, but reputationally and financially. We performed an IT Risk Diagnostic in 2016/17 which has informed the scope of our days allocated to an IT audit in 2017/18 and 2018/19. However further areas that could require further assurance could include: **IT general controls, cyber security, penetration testing, IT infrastructure, Emergency Planning** and/or **IT migration**.
- London South Bank University is operating in a 'crowded market'. Your competition is global and your strategy needs to reflect this. Your strategy is critical to ensuring you must have unique 'USP's that make you stand out as a place to study so that London South Bank is differentiated as a provider. We can help provide critical friend support of **business plans** and **financial analysis**. We can also challenge robustness of business plans, appropriateness of underlying assumptions, as well as broader commercial considerations.
- Institutions are continuing to invest in overseas activities, either through recruiting international students, investing in overseas campuses or branches or alternative forms of transnational education. We reviewed the controls in place for international partnership arrangements in the 2017/18 plan which identified the need to perform greater due diligence and monitoring over academic partners. We could also review and provide feedback on your **internationalisation strategy** or **marketing strategy**, including key

assumptions and overall oversight. We could also look at the University's approach to the potential decline in EU students following the **Brexit** decision.

- We could perform a review of **Teaching Quality**, including how you record and measure this metric internally. This would be particularly helpful for understanding and improving the results of the annual National Students Survey (NSS) and LSBU's TEF rating.
- The Home Office continues to enforce its compliance regime for Tier 4 students and Tier 2 staff. Our student data continuous audit provides ongoing assurance over attendance monitoring, reporting processes and compliance with acceptance criteria for Tier 4 students. However, due to the number of changes to processes we would recommend our Legal team perform a review of overall **Tier 4 and Tier 2 procedures** to assess that these are designed appropriately and comply with Home Office guidance. We would also suggest some testing of **Tier 2 controls** to confirm these are operating effectively.
- The Data Futures programme is going to significantly change the way University's report their student data. Coming into place from 2019/20, it's important that institutions are preparing for this soon. We could conduct a Data Futures Readiness review to provide assurance over preparations for the programme and advising on key changes to the data requirements.
- **Computer assisted audit techniques (CAATS)** –We can use CAATS to query and analyse data from business systems. This provides a strong mechanism for improving business insight and developing recommendations for ways to improve governance, risk management, compliance and cost management. Automated audit tests can be designed to address most transactional risks, including those associated with regulatory and financial risk. Some examples which may be beneficial include:
 - Accounts payable, purchase cards and staff expenses audits looking for: duplicate payments; multiple suppliers providing the same product or service; and abuse of expense policy;
 - Payroll; and
 - Revenue mapping.
- We would also recommend a review of your **anti-fraud arrangements** given the nature of the risks associated with this area. We have a diagnostic tool that we can use to identify the areas of higher fraud risk and an assessment of the controls in place to mitigate these threats.
- Student expectations are much greater in response to rises in fees, and students expect to be able to interact with London South Bank University in a modern and efficient way. We would suggest a review of **Reputation Management** which could include Social Media Governance.

The South Bank Academies Trust

Within our allocated audit days for the 2018/19 internal audit plan, we have included a review of the key financial controls in place at The South Bank Academies Trust, a multi-academy trust (MAT) and partner of LSBU. From discussions with management, we would also suggest a review of the governance arrangements at the MAT, as well as a review of the safeguarding arrangements in place.

Appendix 1: Detailed methodology

Step 1 - Understand corporate objectives and risks

In developing our understanding of your corporate objectives and risks, we have:

- Reviewed your strategy, organisational structure and corporate risk register;
- Drawn on our knowledge of the Higher Education Sector; and
- Met with a number of members of senior management.

Step 2 - Define the Audit Universe

In order that the internal audit plan reflects your management and operating structure we have identified the audit universe for London South Bank University made up of a number of auditable units. Auditable units include functions, processes, systems, products or locations. Any processes or systems which cover multiple locations are separated into their own distinct cross cutting auditable unit.

Step 3 - Assess the inherent risk

The internal audit plan should focus on the most risky areas of the business. As a result each auditable unit is allocated an inherent risk rating i.e. how risky the auditable unit is to the overall organisation and how likely the risks are to arise. The criteria used to rate impact and likelihood are recorded in Appendix 2.

The inherent risk assessment is determined by:

- Mapping the corporate risks to the auditable units;
- Our knowledge of your business and its Higher Education Sector; and
- Discussions with management.

Impact Rating	Likelihood Rating					
	6	5	4	3	2	1
6	6	6	5	5	4	4
5	6	5	5	4	4	3
4	5	5	4	4	3	3
3	5	4	4	3	3	2
2	4	4	3	3	2	2
1	4	3	3	2	2	1

Step 4 - Assess the strength of the control environment

In order to effectively allocate internal audit resources we also need to understand the strength of the control environment within each auditable unit. This is assessed based on:

- Our knowledge of your internal control environment;
- Information obtained from other assurance providers; and
- The outcomes of previous internal audits.

Step 5 - Calculate the audit requirement rating

The inherent risk and the control environment indicator are used to calculate the audit requirement rating. The formula ensures that our audit work is focused on areas with high reliance on controls or a high residual risk.

Inherent Risk Rating	Control design indicator					
	1	2	3	4	5	6
6	6	5	5	4	4	3
5	5	4	4	3	3	n/a
4	4	3	3	2	n/a	n/a
3	3	2	2	n/a	n/a	n/a
2	2	1	n/a	n/a	n/a	n/a
1	1	n/a	n/a	n/a	n/a	n/a

Step 6 - Determine the audit plan

Your risk appetite determines the frequency of internal audit work at each level of audit requirement. Auditable units may be reviewed annually, every two years or every three years.

In some cases it may be possible to isolate the sub-process (es) within an auditable unit which are driving the audit requirement. For example, an auditable unit has been given an audit requirement rating of 5 because of inherent risks with one particular sub-process, but the rest of the sub-processes are lower risk. In these cases it may be appropriate for the less risky sub-processes to have a lower audit requirement rating be subject to reduced frequency of audit work. These sub-processes driving the audit requirement areas are highlighted in the plan as key sub-process audits.

Step 7 - Other considerations

In addition to the audit work defined through the risk assessment process described above, we may be requested to undertake a number of other internal audit reviews such as regulatory driven audits, value enhancement or consulting reviews. These have been identified separately in the annual plan.

Appendix 2: Risk assessment criteria

Determination of Inherent Risk

We determine inherent risk as a function of the estimated **impact** and **likelihood** for each auditable unit within the audit universe as set out in the tables below.

<i>Impact rating</i>	<i>Assessment rationale</i>
6	Critical impact on operational performance; or Critical monetary or financial statement impact; or Critical breach in laws and regulations that could result in material fines or consequences; or Critical impact on the reputation or brand of the organisation which could threaten its future viability.
5	Significant impact on operational performance; or Significant monetary or financial statement impact; or Significant breach in laws and regulations resulting in large fines and consequences; or Significant impact on the reputation or brand of the organisation.
4	Major impact on operational performance; or Major monetary or financial statement impact ; or Major breach in laws and regulations resulting in significant fines and consequences; or Major impact on the reputation or brand of the organisation.
3	Moderate impact on the organisation's operational performance; or Moderate monetary or financial statement impact; or Moderate breach in laws and regulations with moderate consequences; or Moderate impact on the reputation of the organisation.
2	Minor impact on the organisation's operational performance; or Minor monetary or financial statement impact; or Minor breach in laws and regulations with limited consequences; or Minor impact on the reputation of the organisation.
1	Insignificant impact on the organisation's operational performance ; or Insignificant monetary or financial statement impact; or Insignificant breach in laws and regulations with little consequence; or Insignificant impact on the reputation of the organisation.

<i>Likelihood rating</i>	<i>Assessment rationale</i>
6	Has occurred or probable in the near future
5	Possible in the next 12 months
4	Possible in the next 1-2 years
3	Possible in the medium term (2-5 years)
2	Possible in the long term (5-10 years)
1	Unlikely in the foreseeable future

Appendix 3: Mapping the risk register to the Internal Audit Plan in 2018/19

Risk	Mapping to the Internal Audit Plan
Revenue reduction if course portfolio, and related marketing activity, does not achieve Home UG recruitment targets	We have not included any specific reviews of this in our Internal Audit Plan. In our list of other potential audits, we have suggested that a review over Reputation Management, focused on social media governance, would be beneficial.
Anticipated international & EU student revenue unrealised	We have not included any specific reviews of this in our Internal Audit Plan.
Increasing pension deficit reduces flexibility	We have not included a specific review of the pension deficit in the plan but we have pension expertise within PwC that would enable us to assist management in this area if required.
Progression rates don't rise	We have not included a specific review of this but we could include controls around data accuracy of progression rates within our Student Data continuous audit.
Loss of NHS contract income.	We have not included any specific reviews of this in our Internal Audit Plan.
Academic programmes not engaged with technological and pedagogic developments	We have not included a specific review on this risk in our Internal Audit Plan. In our list of other potential audits, we have suggested that a review focused on Teaching Quality which could address this risk.
Unrealised research & enterprise £ growth	We have included a review of the The London South Bank Innovation Centre in the 2018/19 plan.
External incident compromises campus operations or access	We have included a review of IT Disaster Recovery arrangements in our 2018/19 internal audit plan.
Core student system inflexibility / failure	Our student data continuous auditing programme provides assurance over the student data system. We have also included a review of IT Disaster Recovery arrangements which will review the controls in place to mitigate the risk of key systems failing.
Management Information perceived as unreliable, doesn't triangulate, or is not presented.	We performed a review of Management Information: Data Quality in the 2015/16 Internal Audit plan. We have not included a specific review on management information in our Internal Audit Plan, however our continuous auditing programmes will also provide comfort over the

robustness and data quality underpinning key financial systems and student data.

Affordability of Capital Expenditure investment plans	We have not included a specific review of this in our 2018/19 Internal Audit Plan. In our list of potential other audits we have mentioned that we can provide a review to challenge robustness of business plans, appropriateness of underlying assumptions, as well as broader commercial considerations around how to structure the transaction.
Data is not used/maintained securely.	Our 2018/19 IT audit will focus on Disaster Recovery arrangements, including a review of the controls in place to comply with GDPR.
Low staff engagement	We have not included any specific reviews of this in our Internal Audit Plan.
Higher Apprenticeship degrees	We included a review of Apprenticeships in the 2016/17 Internal Audit Plan. We have also included apprenticeships controls in our student data continuous auditing programme.
Negative Curriculum Assessment	We have not included any specific reviews of this in our Internal Audit Plan. We have suggested completing a review over Teaching Quality in our list of other potential audits.
Capability to respond to policy changes & shifts in competitive landscape	We have included a review of controls in place for complying with CMA requirements. Within our IT audit, we will look at IT controls in place for complying with GDPR. In our list of other potential we have suggested performing a review of London South Bank University's internationalisation strategy or marketing strategy, as well as the University's response following the Brexit decision.
Impact of EU Referendum result on operating conditions & market trends	We have not included any specific reviews of this in our Internal Audit Plan. However, we have suggested a review looking at London South Bank University's preparedness for Brexit in our list of other potential audits.
Inconsistent delivery of Placement activity across the institution	We completed a review of placements in our 2016/17 internal audit plan and followed up on findings raised in the report during 2017/18. Our risk assessment suggests that a further review in 2018/19 is not required.

Appendix 4: Summary of audit programme 2010/11 – 2018/19

The table below summarises the coverage of our internal audit work programme between 2010/11 – 2018/19:

System	2010/11 Days	2011/12 Days	2012/13 Days	2013/14 Days	2014/15 Days	2015/16 Days	2016/17 Days	2017/18 Days	2018/19 Days
Financial Systems									
Financial Forecasting	0	0	5	0	0	0	0	0	0
Financial Systems Key Control Reviews including continuous auditing	45	43	43	50	40	31	25	30	30
Funding arrangements for Confucius Institute	10	0	0	0	0	0	0	0	0
Payments to Hourly Paid Lecturers	10	0	0	0	0	0	0	0	0
Payroll Implementation	0	0	7	12	0	0	0	0	0
Payroll Follow Up	0	0	4	0	0	0	0	0	0
The South Bank Academies Trust – Key Financial Controls	0	0	0	0	0	0	0	0	10
<i>Sub Total</i>	<i>65</i>	<i>43</i>	<i>59</i>	<i>62</i>	<i>40</i>	<i>31</i>	<i>25</i>	<i>30</i>	<i>40</i>
Operational Systems									
Apprenticeships	0	0	0	0	0	0	7	0	0
Bribery Act 2010	0	5	0	0	0	0	0	0	0
Business Continuity	0	0	0	10	0	0	0	0	0
Change Programme	0	0	0	0	15	0	0	0	0
Contract Management	10	0	0	0	0	0	10	0	0
CMA compliance	0	0	0	0	0	0	0	0	10
Data Quality – rolling programme of reviews:									
2011/12 – HESA Staff Return	0	5	0	0	0	0	0	0	0
2012/13 – Key Information Set	0	0	10	0	0	0	0	0	0
2013/14 – HESA Finance Return	0	0	0	10	0	0	0	0	0
Delegated Authority arrangements	0	10	0	0	0	0	0	0	0
Enterprise	0	0	10	0	0	0	0	0	0
Extenuating Circumstances, Academic Appeals & other processes that could result in a student complaint to the OIA	0	0	0	16	0	0	0	0	0
Health and Safety	10	0	0	0	0	0	0	12	0
HEFCE 5 Year Review	0	0	0	0	0	0	5	0	0

HR System Implementation	0	0	0	0	0	2	9	0	0
HR audit	0	0	0	0	0	0	0	10	0
Information Security	0	0	0	0	0	10	0	0	0
International Partnership Arrangements	0	0	0	0	0	0	0	10	0
IT audit	0	0	0	0	0	0	10	15	0
IT Disaster Recovery & GDPR compliance	0	0	0	0	0	0	0	0	17
IT Security Arrangements	0	0	15	0	10	0	0	0	0
Management information: Data quality	0	0	0	0	0	10	0	0	0
Management of Fraud Risk	0	0	5	0	0	0	0	0	0
Management of Representative Partners for International Students	0	5	0	0	0	0	0	0	0
Placements	0	0	0	0	0	0	8	0	0
Prevent Duty	0	0	0	0	0	10	0	0	0
Procurement	0	0	0	0	0	0	0	0	10
Research	0	10	0	0	0	0	0	0	0
Research and Enterprise Contracts	0	0	0	0	0	10	0	0	0
Review of Capital Programme	0	0	8	0	0	0	0	0	0
Student Data Continuous Auditing	0	0	0	0	30	25	30	25	25
Student Module Data	0	0	0	5	0	0	0	0	0
Student Residences	0	7	0	0	0	0	0	0	0
The London South Bank Innovation Centre (LSBIC)	0	0	0	0	0	0	0	0	10
TRAC Review	0	0	3	0	0	0	0	0	0
Sub Total	20	42	51	31	55	67	79	72	72
Risk and Governance-Based Reviews									
Risk Management	2	13	2	5	10	5	5	5	5
Value for Money									
Value for Money Arrangements	10	2	2	5	5	5	3	3	3
Other									
Follow Up	5	5	5	5	5	5	5	5	5
Planning, Management and Reporting	9	9	9	10	10	10	10	10	10
Review of Financial Regulations	1	0	0	0	0	0	0	0	0
Total	112	114	128	128	125	123	127	125	140

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	CONFIDENTIAL
Paper title:	External Risk Benchmarking Report
Board/Committee	Audit Committee
Date of meeting:	7 June 2018
Author:	KPMG
Executive/Operations sponsor:	Richard Flatman – Chief Financial Officer
Purpose:	For Information; to provide Committee with an external benchmarking report on risk topics within UKHE from 31 institutions with whom KPMG work.
Recommendation:	Committee is requested to note: <ul style="list-style-type: none"> • the report and its findings

Executive Summary

The reports identifies risk topics identified within Corporate Registers across 31 UKHE institutions, and plots the most frequently occurring against internal / external and stability axes.

The review allocated 15 (*not 12 as stated in the report*) of the risks on the LSBU register to the 32 risk categories it identified in the review, and these correspond well with those risks identified most frequently in the review (The green columns on p3) giving some assurance around the risk spread within the LSBU register, although some of the categories are open to interpretation.

The breakdown of high and total number of risks per institution shows LSBU to be in line with sector norms, and the results section provides good assurance around current process.

- The Committee is requested to note the report and the progress made.

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London South Bank University

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Risk Management Benchmarking
February 2018



Risk management benchmarking results

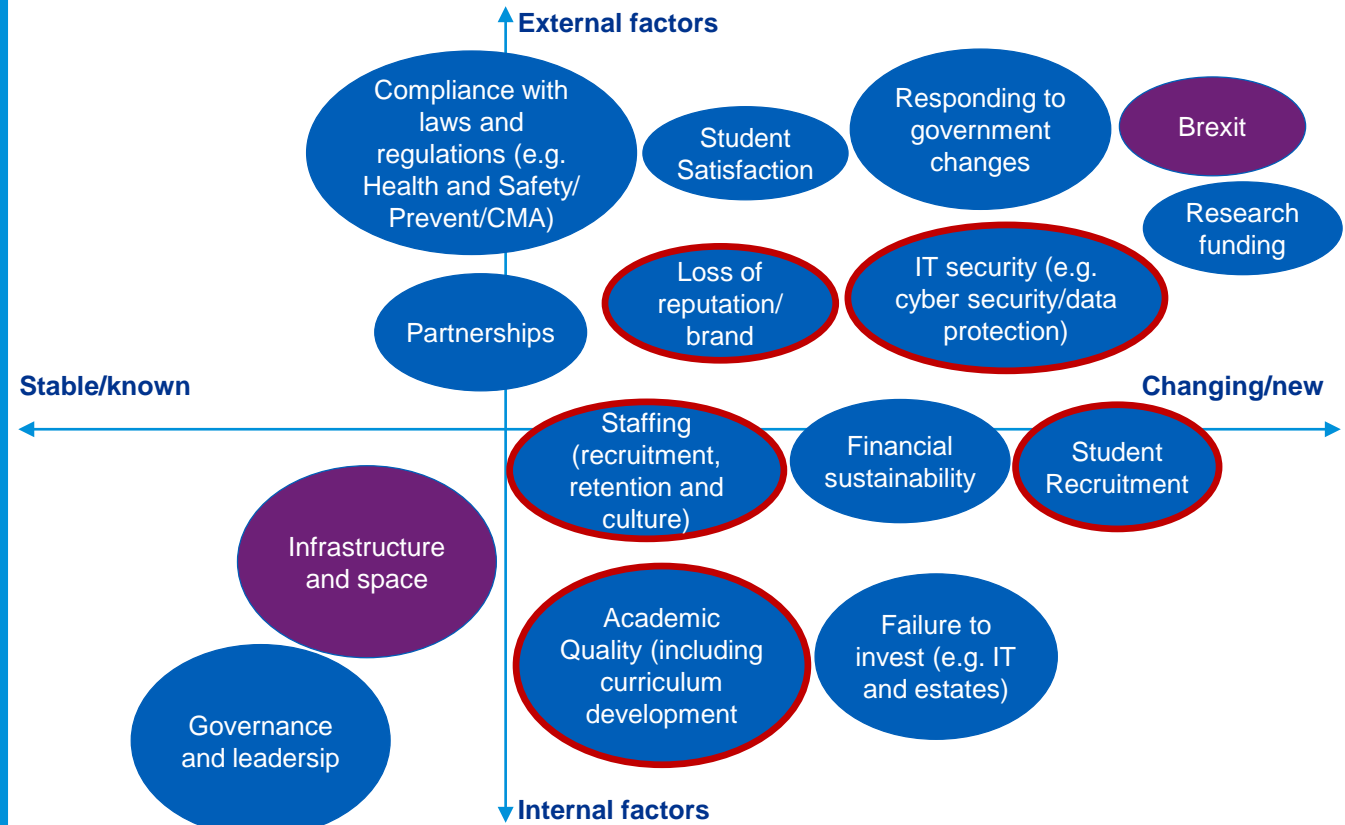
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The Higher Education (HE) landscape continues to evolve, creating opportunities and threats. There continue to be uncertainties around funding, technological innovation impacting how universities and students operate, increasing regulation and competition and the rise in student expectations.

New risks have emerged during the last 18 months, most significantly driven by the decision for Britain to leave the EU. As we consider the year ahead with a new regulator, new legislation and a changing political dialogue about fees, teaching and knowledge we expect to see more developments and a shifting risk landscape.

We have set out the most common risks the 31 HE institutions we have reviewed are currently recording on their risk registers. We have separated out those that have emerged frequently since we last benchmarked HE risk registers 18 months ago.

We have identified the top 15 risks from the universities we benchmarked:

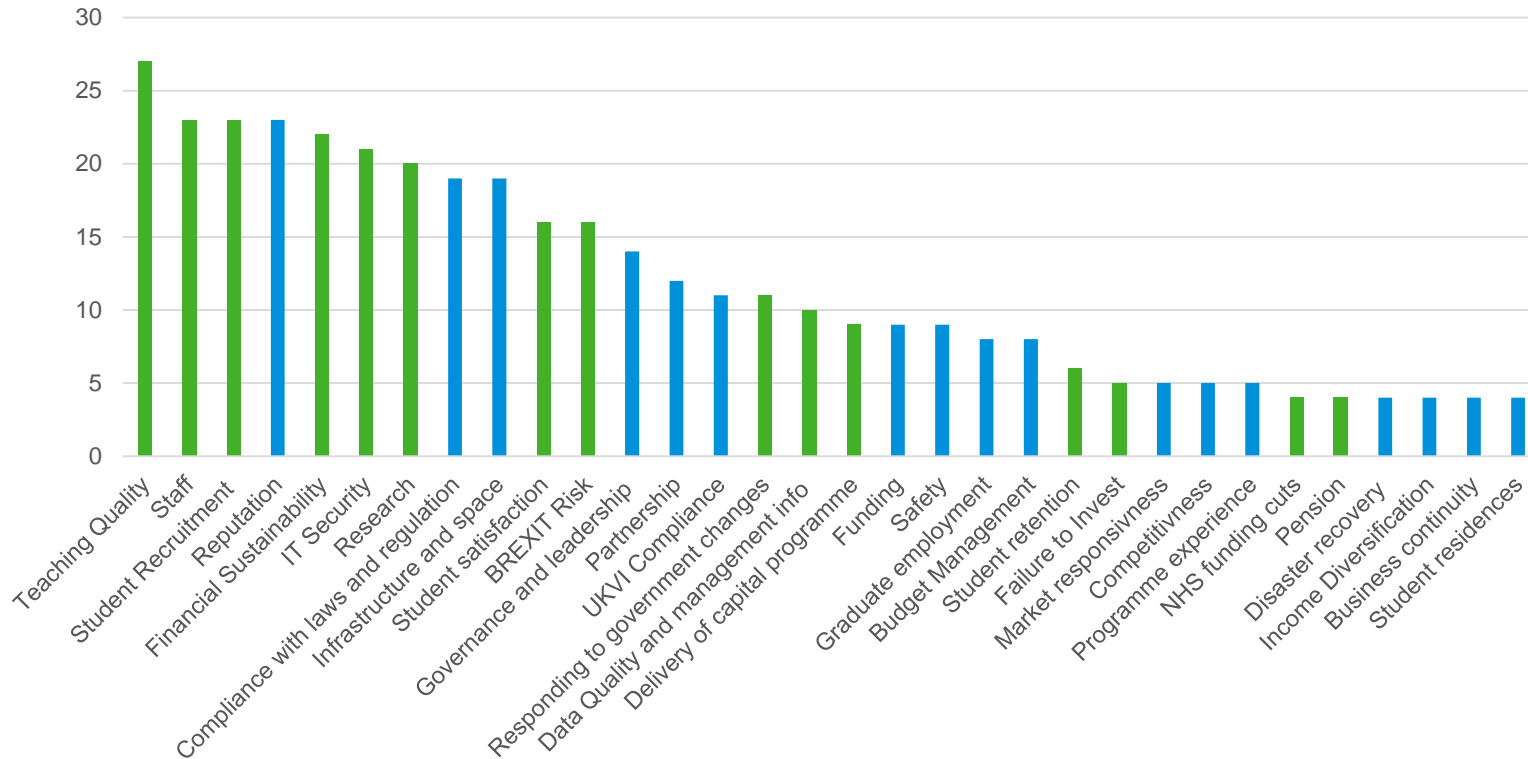


Key: ● Sector risk ● Top 5 sector risk ● Emerging risks for 2017

Risk management benchmarking results

This table provides a break down of the strategic risk categories across the 31 risk registers we reviewed and how frequently they were recorded. Those risks shown in green represent the risks recorded on London South Bank University's risk register.

Comparison of risks recorded on risk register to peer group

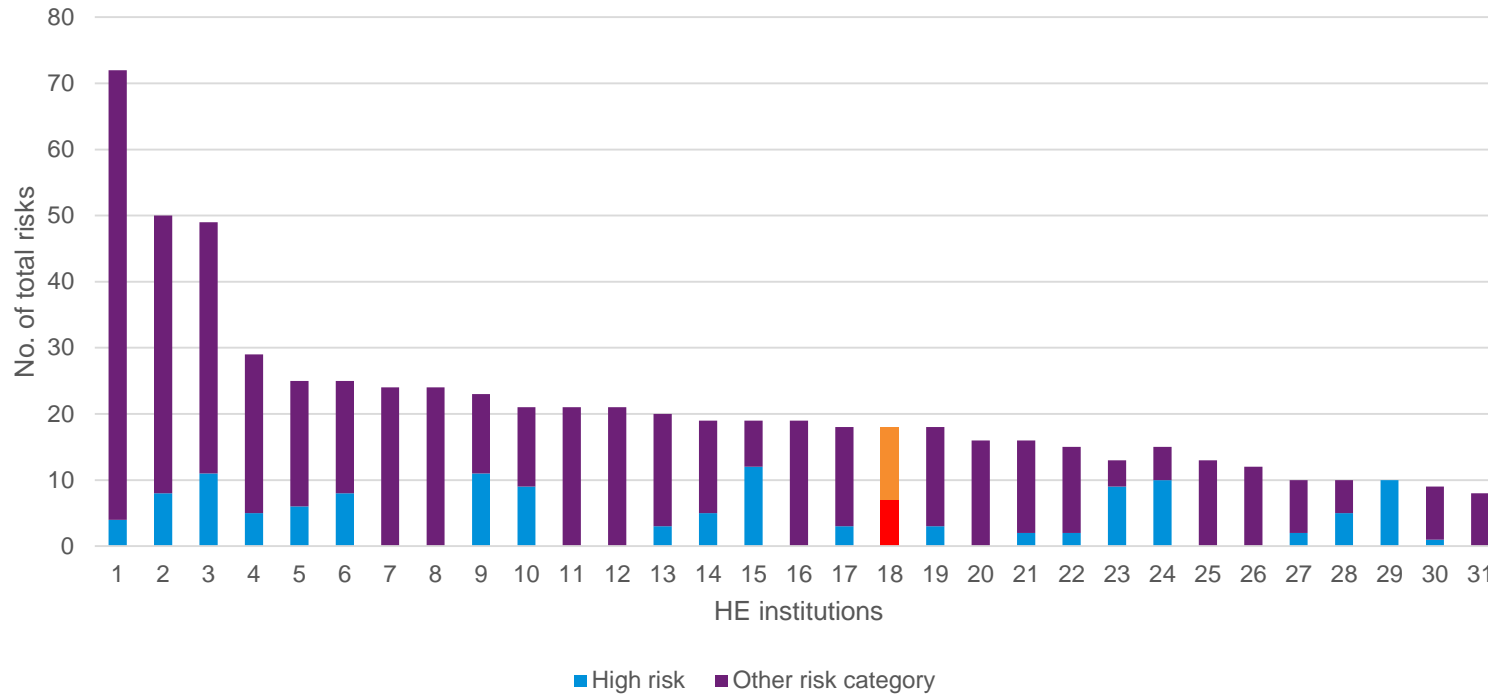


The University's risk register includes 12 of the 31 risks listed above. These include Teaching Quality, Staff and Student Recruitment which are the three most frequently identified risks across the benchmarked Institutions.

Risk management benchmarking results

We have set out below the number of risks recorded on strategic risk registers and how this compares to other institutions. It is important that an appropriate balance is found in having completeness of the risk register while enabling sufficient review of the appropriateness of individual risks. London South Bank University is shown below in orange, with high scored risks shown in red.

Analysis of risk register size and scoring



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London South Bank University has 18 risks on the strategic risk register, of which 7 are 'high risk'. This is broadly in line with the average total number of risks across the institutions benchmarked.

What do the results tell us?

From our results we have identified the top emerging risks that are driven by both internal and external influences. Below we have identified the new risks emerging in 2016/17 that have been identified by institutions:

Risk	Underlying drivers	How does the University compare?
Infrastructure and space (top 15 risk for 16/17)	<ul style="list-style-type: none"> Pressures around learning space and capacity for increasing student numbers. Management of the estates program. 	<ul style="list-style-type: none"> ✓ A medium rated risk (risk 37) has been raised around the affordability of Capital Expenditure Investments plans in terms of funding availability and project controls and management. • The University does not have a strategic risk around learning space and capacity at the University.
Brexit (top 15 risk for 16/17)	<ul style="list-style-type: none"> Possible loss of income. Impact of changes to government policy. Ability to recruit and retain staff and students 	<ul style="list-style-type: none"> ✓ Risk 517 relates to the impact of the EU Referendum/ Brexit on the University through changes to regulation and market trends. It covers the impact on staff, student recruitment, research funding and the potential of increased resources required to comply with amendments to regulations.
Safety	<ul style="list-style-type: none"> Increase health and safety risk arising from construction activity Lack of an appropriate health and safety culture and effective review by senior management 	<ul style="list-style-type: none"> • There are no safety risks identified as a result of construction activity or a lack of oversight and review by management on the strategic risk register.
Budget management	<ul style="list-style-type: none"> Over or underspending against budget Misallocation of resources Responsibility level of budget holders 	<ul style="list-style-type: none"> ✓ The University has several risks that could impact on revenue (around the underachievement of recruitment targets, loss of NHS Contract income, unrealised research and expenditure growth) and expenditure (specifically on the affordability of capital plans and the University's pension liability).
Programme experience	<ul style="list-style-type: none"> Student satisfaction Inadequate feedback mechanisms and metrics for performance Impact of estates programmes on student experience 	<ul style="list-style-type: none"> ✓ The University has a medium rated risk around the potential negative impact of failures in key student systems on student experience (risk 518). ✓ There is a further high level risk (risk 519) around a lack of curriculum compliance as a result of resource constraint or a lack of sufficient preparation.
Business continuity	<ul style="list-style-type: none"> Data security and process for dealing with breaches Major 'one-off' incidents disrupting operations Management of industrial action groups 	<ul style="list-style-type: none"> ✓ The University considers IT Security to be one of the strategic risks, with risk 305 relating to corporate and personal data security. ✓ The University has a medium rated risk regarding the possibility of an incident in South London which would compromise campus operations or access (risk 584).

What does good look like?

Below we have highlighted some of the key themes emerging around the developing of the risk registers, how you compare and what best practice looks like drawing on examples from the HE Sector and other industries:

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Area	What does best practice look like?	How does the University compare?
Risks identified	<ul style="list-style-type: none"> ✓ Focus on strategic risks and clear alignment to the Institution's strategic plan. ✓ The Board of Governors, Executive Committee and Schools are independently, periodically asked what they perceive to be the top five key risks to the Institution. 	<ul style="list-style-type: none"> ✓ Risks are aligned to the University's strategic objectives. ✓ Risk management is a regular agenda item for the Board, Executive, School Executive Teams and meetings of Professional Services Groups.
Analysing risk	<ul style="list-style-type: none"> ✓ Risk appetite defined and regularly assessed by the Executive Team and Board of Governors. ✓ The impact and likelihood of risk coming to fruition is evaluated. ✓ Both the gross risk (before controls) and net risk (after controls) is defined and monitored. ✓ The effectiveness of controls and controls assurance is captured. ✓ The trajectory of risks is regularly reported. 	<ul style="list-style-type: none"> ✓ The University has clearly set out its risk appetite which has been presented to the Audit Committee. ✓ The Risk Register is regularly reviewed by the Audit Committee, Board and the Strategic Risk Review Group. ✓ Each risk is allocated a rating consisting of the combined impact and likelihood allocated. These are then RAG rated to identify the top rated risks and presented in a matrix to show the University's current risk profile. ✓ The risk controls are outlined for each risk, with a residual risk rating also outlining the combined impact and likelihood allocated after mitigating controls have been taken into account. • Each time the risk register is presented changes to risk scores are highlighted, although the trajectory of risks is not reported.
Ownership	<ul style="list-style-type: none"> ✓ There is one clear owner of each strategic risk with other key staff supporting the operational delivery. ✓ The risk owner has responsibility for the operational risk owners. 	<ul style="list-style-type: none"> ✓ The University's risk register allocates a Risk Owner to each identified risk. There are then named individuals responsible for each element of the actions required. ✓ Corporate risks are owned by members of the Executive.
External influences	<ul style="list-style-type: none"> ✓ There is a distinction between risks which are influenced by external factors (e.g. UKVI) and internal factors (e.g. increasing productivity). ✓ Council has evaluated what the key risks and opportunities will be to the sector in the medium term – up to five year horizon scanning. 	<ul style="list-style-type: none"> ✓ The University's strategic risk register includes risks which are influenced by both external and internal factors. There is no distinction between internal and external risks within the presentation of the risk register.



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Paper title:	Risk Register
Board/Committee	Audit Committee
Date of meeting:	7 June 2018
Author:	John Baker - Corporate & Business Planning Manager
Executive/Operations sponsor:	Richard Flatman – Chief Financial Officer
Purpose:	To provide Committee with the latest Board overview of current risk exposure, along with the full risk register as an appendix, with an overview section detailing the changes to records and progress made since the prior meeting.
Recommendation:	The Audit Committee is requested to: <ul style="list-style-type: none"> • Review the records of risk exposure, and note the current risk overview

Executive Summary

The risk exposure matrix on page 1 separates risks into the 4 risk categories of the approved LSBU risk appetite statement.

This page provides an overview of the Corporate Register risk entries, by severity rating and risk type, and pages 2-5 provide a high level overview of all the risk entries which have residual severity ratings of medium or above.

This is the new format for reporting risk to the Board. However, so that Audit Committee can consider risk in more detail if required, we have also attached the detailed risk framework as an appendix.

The cover page of the appendix is a risk matrix (*page 6 of the report*) which presents all the risks by both impact and residual likelihood, and the update summary section (over pages 7-10) groups the risks by the goals of the Corporate Strategy to which they relate, and details a summary of all the changes made to the risk entries since their last presentation to Committee at the February meeting, along with details of actions completed or added to the action section on the right, along with progress updates on any overdue actions.

In terms of direction of travel, any changes made to the likelihood or impact ratings are detailed in this summary section, and the main risk entries detail any change in

risk severity rating between the inherent risk (the colour rating in the centre of the report), and the residual risk (the rating to the right of the controls section).

LSBU applies four colours of rating to the severity of each risk, Black, Red, Amber and Green, as detailed on the initial page matrix.

The final section of the appendix (pages 11 to 19 of the report) provide the full risk register entries for each of the identified corporate risks.

(This risk report has been reviewed by the Strategic Risk Review Group, and the Executive.)

The Audit Committee is requested to:

- Review the risk reports, and note the institutions current risk exposure, and related management activity.

LSBU Corporate Risk Matrix – Severity by Risk Type *(from Risk Appetite)*

Cover Page: Board High Level overview of Risk Exposure

Severity Rating	Critical	High	Medium	Low
Risk Types:				
Financial <i>(Open)</i>	2: Revenue reduction if marketing & PR does not achieve H/EU UG recruitment targets (NL)	457: Anticipated international & EU student revenue unrealised (PI) 3: Increasing pensions deficit reduces flexibility (RF)	14: Loss of NHS contract income (WT) 37: Affordability of Capital Expenditure investment plans (RF) 402: Income growth from Research & Enterprise unrealised (PI)	517: Impact of EU Referendum on regulation & market (DP)
Legal / Compliance <i>(Cautious)</i>			305: Data not used / maintained securely (SW) 519: Negative Curriculum Assessment (SW) 584: External incident compromises campus operations or access (PB)	
Academic Activity <i>(Seek)</i>		467: Progression Rates don't increase (SW)	398: Academic programmes not engaged with technological and pedagogic developments (SW) 495: Higher Apprenticeship degrees (PB) 518: Core student system inflexibility / failure (SW)	494: Inconsistent delivery of Placement activity (SW)
Reputation <i>(Open)</i>			6: Management Information perceived as unreliable, doesn't triangulate or is not presented (RF) 362: Low staff engagement or staff cost containment programme impacts performance negatively (PB)	1: Lack of capability to respond to policy changes & shifts in competitive landscape (DP)

Risk Type: Financial		
<i>Summary of current risks & drivers</i>	<i>Notes on controls & mitigation strategies</i>	<i>Notes on progress made and actions completed</i>
<p>2: Home UG Recruitment: Increased competition and narrowing candidate pool put pressure on applicant numbers. Brand positioning doesn't articulate LSBU potential effectively and impacts on conversion rate, leading to shortfall in anticipated income, or changes entrant tariff score</p>	<ul style="list-style-type: none"> • QSC approval of course validations informed by market insight • Weekly review of numbers by MAC leadership team • Monthly review of DARR report • Revised Outreach strategy 	<ul style="list-style-type: none"> • Brand Architecture & Narrative review being led by DoB&C for May presentation • School website content now with copywriters • Response protocols being reviewed by Director to complete end 2018
<p>457: International Income: Government policy & UKVI process creates additional burdens to recruitment, and TNE partner models still in development</p>	<ul style="list-style-type: none"> • International Office runs annual cycle of training events with staff on UKVI processes. • Recruitment reports to senior management • Development of Overseas offices 	<ul style="list-style-type: none"> • Feedback being collected from Egyptian partner on draft partnership model prior to Exec presentation • UKVI Consultant report received & actioned
<p>39 Pensions: Increasing life expectancy & poor performance of funds post 2008 leads to greater deficit</p>	<ul style="list-style-type: none"> • Annual FRS 102 valuation • Strict control on early access to scheme 	<ul style="list-style-type: none"> • Mercers costed scenarios being presented to Jun FP&R meeting
<p>74: NHS Contract Income: Changes to NHS management structures, and move from bursaries to loans for pre-Reg courses impacts on levels of income</p>	<ul style="list-style-type: none"> • QCPM & NMC course review processes demonstrate quality of provision to funders • Literacy & Numeracy support provided in cycle 	<ul style="list-style-type: none"> • New Apprenticeship, Associate & foundation programmes validated or in development • Havering lease now extended
<p>37: Capex affordability: Project ambitions and scales not in alignment with current cash generation capacity or asset valuations, or project cost escalation</p>	<ul style="list-style-type: none"> • Capex reporting embedded into management accounts provided to FP&R Committee • Estates project methodology controls & governance • Financial regs require Board approval >£2m 	<ul style="list-style-type: none"> • Sino-campus Steering Panel ongoing • Perry disposal options considered • St Georges options being tested with Clive Crawford Associates
<p>402: Research & Enterprise contracting: Forward financial plans anticipate increases in income which will need to be supported through reaching into new markets and areas of activity</p>	<ul style="list-style-type: none"> • Bid writing workshops for academic staff delivered • Sharepoint & FEC Research & Enterprise Approval Process for authorisation of new opportunities • R&E activity Pipeline Reports (Financial & Narrative) provided to Executive team 	<ul style="list-style-type: none"> • London Doctoral Academy reps appointed • Health Innovation Lab director appointed • LURN partnership bids commenced • ACEEU accreditation application underway

Risk Type: Legal / Compliance		
<i>Summary of current risks & drivers</i>	<i>Notes on controls & mitigation strategies</i>	<i>Notes on progress made and actions completed</i>
<p>305: Data use and access: The rise of cyber-attacks, and malicious attempts to circumvent existing controls pose a threat to data security. Evolving standards of good practice take time to become articulated within an institutional context and fully adopted as salient culture. European GDPR legislation comes into force on 25th May 2018.</p>	<ul style="list-style-type: none"> • GDPR Project programme approved by Executive in January • Data Protection now included within suite of Mandatory Training modules for staff • ICT project process requires Privacy Impact Statements and changes to digital infrastructure reviewed quarterly by ICT Technical Roadmap Board • IT access now linked directly to live info from i-Trent staff record system, and logical security protocols require 6 monthly change • Vulnerability tests scheduled weekly 	<ul style="list-style-type: none"> • GDPR project programme reviewed by project board • Data Protection Officer role appointed • Recruitment underway for Head of Information Security
<p>519: Curriculum Compliance: The transition from sector funder (Hefce) to Regulator (OfS) sees a move away from the Annual Provider Review approach to quality assurance of provision, to achievement of registration conditions, which now connect explicitly to the stipulations of the CMA (Competitions & Markets Authority) around consumer protection. The links between Course Approval documents and Marketing content is not currently assured, and tolerance thresholds for changes to course content may vary in practice.</p>	<ul style="list-style-type: none"> • Academic Audit process is monitored by Academic Board, through reports from QSC (Quality & Standards Committee) • LSBU Participation in the Subject TEF pilot process is providing greater institutional awareness of the way data returned to HESA is used to review institutional performance • Curriculum creation process being transferred to the Registry function • All Course Specs being translated into new Educational Framework format 	<ul style="list-style-type: none"> • Full audit of Course specifications now completed • OfS Registration process being overseen by project board • Educational Framework specification documents now mandatory for all new programmes
<p>584: External Incident impact on campus: UK government's current terror threat level of 'severe' and incidents during 2017 mean that a central London location places LSBU at greater risk of being impacted by a future event.</p>	<ul style="list-style-type: none"> • Building Lockdown plans in place • Business continuity plans for critical activity reviewed annually by resilience team • Emergency Information sets at receptions • Halls Accommodation aid agreement in place with London School of Economics 	<ul style="list-style-type: none"> • Emergency planning scenario tested with Executive • Review actions now being implemented

Risk Type: Academic Delivery		
<i>Summary of current risks & drivers</i>	<i>Notes on controls & mitigation strategies</i>	<i>Notes on progress made and actions completed</i>
<p>467: Progression: Despite a revised focus on the re-enrolment process, the progression rate fell by 2% to 75% for full time students, and is featured as a negative flag on some of the metrics supplied through the Subject TEF pilot process.</p>	<ul style="list-style-type: none"> • Range of data in the Corporate Warehouse being expanded to utilise the MIKE platform to provide greater insight and analysis to academic staff • Study support provided by Library & LRC • CRIT embeds support in high impact modules 	<ul style="list-style-type: none"> • Personal tutoring minimum specification circulated and published on website • Course Director Role Description completed & provided to the School DESEs • New Progression dataset tested and added to Data Warehouse for ongoing reporting around progression and retention of students
<p>398: Technology & Pedagogy: Although the results are open to some interpretation, some competitors have made greater investment in using learning analytics to support the learning experience, and embedding technology within Classrooms. There are concerns in the sector with regard to the priority attached to teaching support within the new regulatory regime, and Advance HE. Delays with fully populating the CRIT team have impacted on delivery of plans.</p>	<ul style="list-style-type: none"> • CRIT (Centre for Research Informed Teaching) reports to the Student Experience Committee & to the Quality & Standards Committee on the Achievements of work undertaken. • Delivery of the Technologically Enhanced Learning Strategy (TEL) through the Educational Framework and Quality Processes, is monitored by Academic Board. • Digital baseline project underway to ensure parity of experience across all moodle sites 	<ul style="list-style-type: none"> • Professional Development sessions for Course Directors delivered utilising TESTA framework • Lecture capture facilities being provided to pilot group, with associated training sessions • Moodle baseline has been made available to all staff & new site template developed for roll out
<p>495: Apprenticeships: Some issues with system adaptations in order to accommodate all requirements of running Apprenticeship programmes, and some sector reports have introduced some uncertainty over future enrolment patterns.</p>	<ul style="list-style-type: none"> • The Apprenticeships team is now fully established within LSBU • 6 monthly progress report from Apprenticeships Steering Group scrutinised by Academic Board covers IPTE and the Passmore Centre. 	<ul style="list-style-type: none"> • Passmore Centre refurbishment project now underway • Launch events in preparation stages
<p>518: Core Student Systems: Although the LEAP project is underway to create a paradigm shift in administration of the student journey, existing platforms will be required in the interim, and are patched and burdensome.</p>	<ul style="list-style-type: none"> • LEAP Project Updates scrutinised by Academic Board • Operational Issues reported & tracked through ICT TopDesk system, with internal escalation protocols. 	<ul style="list-style-type: none"> • Timetabling review completed, and some recommendations implemented • Semester 2 starts issue now resolved • LEAP Programme Director appointed

Risk Type: Reputation		
<i>Summary of current risks & drivers</i>	<i>Notes on controls & mitigation strategies</i>	<i>Notes on progress made and actions completed</i>
<p>6: Management Information: Past concerns expressed regarding triangulation of data from separate returns made to the designated data body, and controlled internal access to this business intelligence. Lack of detailed articulation of interdependencies between data systems and use of multiple system fields</p>	<ul style="list-style-type: none"> • Data Assurance Group mechanism • MIKE platform for sharing data & visualisations using corporate warehouse • Continuous Audit programme reviews student and financial data for accuracy • Systemised data checks and reviews completed by PPA team prior to external submission. 	<ul style="list-style-type: none"> • Performance scorecard project underway to develop measures for professional services • Specification developed to inform LEAP business case including the Programme's information workstream • MIKE phase 2 datasets in testing phase prior to formal release • Subject TEF pilot submissions completed, including utilisation of new metric sets
<p>362: Low staff engagement or staff cost containment impacts performance: Systems and structures don't achieve intended facilitation of collaborative working across the institution. Reward and recognition packages perceived to be out of line with other sectors or institutions, or not applied equally across full range of protected characteristics. Frozen fee levels and continued challenges in recruitment market have contributed to flat income predictions and planned staff cost reduction programme, which could lead to lower engagement, disruption in service provision or skills / knowledge gaps that impact on delivery.</p>	<ul style="list-style-type: none"> • Town Halls cascade corporate messages • Regular engagement with Unions on staff matters • Shape & Skills approach to review • Comms strategy approved by Exec for MAC team • HR Business Partners manage all change activity • Direct staff feedback is encouraged through VC 'Continuing the Conversation' events & Yammer • Employee engagement champions network • Planning process promotes golden thread connection from Corporate Strategy, through Local Roadmaps to Staff Appraisals. 	<ul style="list-style-type: none"> • All Staff email introduced programme remit • Leadership forum group established • Procurement completed on Sodexo platform to deliver benefits to all staff & contractors • New engagement survey launched to staff • Stress Survey results provided to management teams in all Schools & PSGs

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Appendix: LSBU Corporate Risk Register - Cover page, Risk overview matrix; by impact & residual likelihood

Date: 14th May 2018 **Author:** John Baker – Corporate & Business Planning Manager **Executive Lead:** Richard Flatman – Chief Financial Officer

Impact	4 Critical <i>Corporate plan failure / removal of funding, degree award status, penalty / closure</i>			2: Revenue reduction if course portfolio, and related marketing activity, does not achieve Home UG recruitment targets (NL)
	3 High <i>significant effect on the ability for the University to meet its objectives and may result in the failure to achieve one or more corporate objectives</i>	6: Management Information perceived as unreliable, doesn't triangulate (RF) 37: Affordability of Capital Expenditure investment plans (RF) 305: Data not used / maintained / processed securely (SW) 362: Low staff engagement (PB) 495: Higher Apprenticeships (PB) 519: Negative Curriculum Assessment (SW)	3: Increasing pensions deficit reduces flexibility (RF) 467: Progression rates don't rise (SW)	457: Anticipated international & EU student revenue unrealised (PI)
	2 Medium <i>failure to meet operational objectives of the University</i>	1: Capability to respond to change in policy or competitive landscape (DP) 517: Impact of EU Referendum result on regulation & market trends (DP) 494: Inconsistent delivery of Placement activity across the institution (SW)	14: Loss of NHS contract income (WT) 398: Academic programmes not engaged with technological and pedagogic developments (SW) 402: Unrealised research & enterprise £ growth (PI) 584: External incident compromises campus operations or access (PB) 518: Core student system inflexibility / failure (SW)	
	1 Low <i>little effect on operational objectives</i>			
		1 - Low	2 - Medium	3 - High
	<i>This risk is only likely in the long term</i>	<i>This risk may occur in the medium term.</i>	<i>The risk is likely to occur short term</i>	
	Residual Likelihood			
Executive Risk Spread: VC – 2, DVC – 3, CFO – 3, PVC-S&E – 5, PVC-R&EE – 2, COO – 1, CMO -1, Dean Health – 1, US - 0				

Update Summary: Overview of changes since presentation at previous Operations Board, and overdue action progress updates:

Reference	Risk title	Completed Actions & Risk Changes	Overdue Action Progress Notes
Goal 1: Teaching & Learning: Ensuring teaching is highly applied, professionally accredited & linked to research & enterprise			
398 (SW)	Low engagement with tech or pedagogic developments		
467 (SW)	UG Progression rate doesn't rise	<p>Course Director Role Description completed: The Role Description has been updated and provided to the School DESEs.</p> <p>Data Warehouse & Report update completed: The progression data has now been added, tested, and used for reports presented to the Board.</p>	
Goal 2: Student Experience: Seeing students as learning participants & encouraging and listening to the student voice.			
518 (SW)	Core Student System inflexibility / failure	<p>LEAP controls updated:</p> <p>Timetabling Review concluded: It's not feasible to automate our timetabling booking process at present, as our course design is still too complex to allow automation.</p>	
19 (SW)	Negative assessment of curriculum compliance	Course Specifications audit completed.	
Goal 3: Employability: Ensuring students develop skills, aspiration and confidence.			
14 (SW)	Inconsistent delivery of Placement activity across institution	Impact reduced to medium	<p>Schools On-boarding progress note: A dedicated Placement Officer joined the team in January and whose role is to focus on this activity, and to create and run the first user group this semester, as well as linking with the software User group for best practice.</p>
Goal 4: Research & Enterprise: Delivering outstanding economic, social and cultural benefits from our intellectual capital.			
402 (PI)	2020 £ growth through Research & Enterprise	<p>Health Innovation Lab director appointed: New Associate Director appointed for Commercial Activity - and will be in post by July.</p> <p>REF & AURA Controls added</p>	<p>Health CPD action progress note: The business case for a training company has been drafted, approved by the Executive, and is due for review at the SBUEL board meeting on 9th May.</p> <p>LSBUEL revised operating structure: Clearance received from Governing body to expand remit. Paper going to Executive for approval.</p>
Goal 5: Access: Work with local partners to recruit, engage and retain students with the potential to succeed.			
495 (PB)	Impact of Higher Apprenticeship degrees	Launch actions sequenced	<p>Passmore Centre progress note: The Planning permission has been granted, contractors appointed, and agreements signed off, so progress on the refurbishment project is now underway.</p> <p>IPTE structure progress note:</p>

			Pat Bailey appointed to national UCAS Advisory Group re apprenticeship application processes, which will help us inform marketing/recruitment strategies, and link to LSBU family approach.
Goal 6: Internationalisation: Developing a multicultural community of students & staff through alliances & partnerships.			
457 (PI)	International & EU student £income unrealised	Consultant report on UKVI compliance received.	<p>Financial model progress note: A draft model has been created, and this is being reviewed with a partner in Egypt for feedback prior to presentation to Executive, pending the restructuring of the SBEUL enterprise approach.</p> <p>EU Partners: Potential partnerships with Latvia & Portugal are in development</p>
517 (DP)	Impact of EU Referendum	<p>Action around EU strategy implemented: A focus on more effective use of agents has increased applications by 16 %. Efforts are being focused on countries with their own portable funding schemes, and forward financial models allow for 50% decrease post 2019.</p> <p>Research Institute action implemented: An academic lead has been appointed for the Creative and Digital Economy Institute to support approaches to compensate for EU funding loss.</p> <p>Employment Law action closed: The Government has indicated that EU citizens who arrived in the UK before the referendum, or during the transition period, will be eligible to apply for leave to remain.</p> <p>2 new actions added.</p>	
Goal 7: People & Organisation: Attracting proud, responsible staff, & valuing & rewarding their achievements.			
1 (DP)	Response to environmental change & reputation	<p>3 new actions added.</p> <p>Shân & Pat have participated in the panels of the Subject TEF exercise.</p> <p>New courses including BA Hons in Fashion Promotion & Marketing have been added to the Porfolio within ACI for 2018 entry.</p>	
362 (PB)	Poor Staff Engagement	<p>Risk & Controls updated to incorporate staff cost containment programme.</p> <p>3rd party Web Portal Procured:</p>	New Action around Engagement Survey

		A contract has been signed with Sodexo, and a launch event is planned at the June Staff Conference.	
Goal 8: Resources & Infrastructure: Investing in first class facilities and outcome focused services, responsive to academic needs.			
2 (NL)	Home UG Recruitment income targets	<p>Market Insight research shared: Meetings have been completed with all Schools, and Exec presentation occurred in March.</p> <p>Corporate website & prospectus updated: Now in line with new look and feel refresh ambitions.</p>	<p>School & College Outreach progress note: New strategy drafted following reviews of existing activity & gap analysis, along with annual plan for managing MAT interactions by the end April.</p> <p>Corporate Comms plan progress note: Activity was postponed to ensure it could be led by the new Director of Brand and Communications, who is rethinking our approach to tendering for PR & will present to Exec in May.</p> <p>Brand Architecture progress note: Activity now led by DoB&C, who will now present to Executive in May.</p> <p>School Web pages progress note: Content now with copywriters, and scheduled for May.</p> <p>Brand Campaign progress note: Recommendations developed through research groups, and initial briefing of HunterLodge agency carried out by interim Brand Consultant.</p> <p>Response protocols progress note: Activity now led by DoM&R, and will be completed by end Calendar year, for the 60 communication pieces involved with every type of applicant.</p>
3 (RF)	Pensions deficit	<p>Options review completed, and presented to Executive. Actuarial analysis reviewed.</p> <p>New action around HR implications.</p>	
6 (RF)	Quality and availability of Management Information	<p>Student Record system action completed: A high level specification was developed to inform the Business case being reviewed by Exec in Nov.</p>	
14 (WT)	Loss of NHS income	<p>New actions added around Physician Associate training programme , National Trailblazer for Advance Clinical Practitioner & Nurse Degree Apprentices</p> <p>Havering Lease action completed: Lease extended to 2026</p>	<p>Health CPD action progress note: Re risk 402 - business case for a training company has been drafted, approved by Executive, & is due for review by SBUEL board meeting.</p>
37 (RF)	Affordability of Capital Investment plans	<p>Perry Disposal action implemented: Disposal options tested & MPIC has taken the decision not to sell the Perry Library at this time.</p> <p>Student Centre item resolved: Final resolution amount now agreed with contractors at £200K less than amount requested.</p>	

305 (SW)	Corporate & personal data security & use	<p>Data Protection manager appointed.</p> <p>GDPR Project underway. Progress to be reported to Audit Committee.</p> <p>New action around replacement HoIS role</p>	<p>Windows 2003 action progress note:</p> <p>We have circa 300 servers at LSBU, and those running Windows2003 have reduced from about 30 to 5 in the past 9 months, and these 5 are scheduled for upgrade or shutdown in the next couple of months.</p>
584 (PB)	External incident compromises campus operations or access	<p>Controls updated:</p> <p>New actions around recommendations from the incident response test scenario & transfer of Gold Command.</p>	

Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
398	Academic programmes do not employ suitable technological and pedagogic developments to support students and promote achievement	Shan Wareing	<p>Cause: Sustained underinvestment in expertise and dedicated human resource to support utilisation of learning technologies, comparative to new and existing competitors.</p> <p>Effect: LSBU does not effectively exploit the learning potential of new technologies, impacting negatively on student retention, achievement, or cost base (eg in terms of physical estate, inability to use virtual facilities) and our ability to deliver new provision such as apprenticeships Curriculum do not adapt sufficiently to remain relevant, jeopardising the employability of LSBU graduates. More flexible and efficient educational models which enable us to remain adaptable and competitive are out of institutional reach Support mechanisms do not provide some students with the learning support they need to navigate and succeed in the learning environment so retention does not meet the targets within the 5 year forecast. Market appeal of courses is impaired, impacting negatively on recruitment.</p>	I = 2 L = 2 Medium (4)	<p>CRIT (Centre for Research Informed Teaching) reports regularly to the Student Experience Committee & to the Quality & Standards Committee on the Achievements of work undertaken.</p> <hr/> <p>Delivery of the Technologically Enhanced Learning Strategy (TEL) through the Educational Framework and Quality Processes, monitored by Academic Board.</p>	I = 2 L = 2 Medium (4)	Deliver professional development for course directors.	Saranne Weller	31 Jul 2018
							Increase organisational capability for utilising lecture capture technology, through champions in all divisions trained in appropriate technology.	Saranne Weller	31 Jul 2018
							Complete activity to establish a baseline across all modules for core digital enhanced learning practice.	Saranne Weller	31 Jul 2018

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Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
467	Progression rate across undergraduate programmes does not rise in line with targets of Corporate Strategy	Shan Wareing	<p>Cause: Students admitted through clearing with lower tariff and less commitment to the course. High risk students are not identified in a timely way and supported sufficiently. Failures in timetabling, organisation and communication increase during periods of change, and high risk students are more vulnerable. New initiatives don't engage students. Provision fails to meet immediate needs of students entering through non-traditional access routes. Unable to finance student support adequately to meet level of demand.</p> <p>Effect: Progression rate fails to increase sufficiently . HEFCE, or OFS could view LSBU as high risk. Data could have negative impact in TEF metric assessment. Considerable loss of income from UG non-progression to level 5 and 6.</p>	I = 3 L = 2 High (6)	Dean's School reports for REC and TEF are reviewed at QSC and Academic Board, who report to the board of Governors.	I = 3 L = 2 High (6)	Oversee development of revised MIKE dashboards with new progression dimensions, and embed within core planning cycles and present to Quality & Standards committee.	Richard Duke	31 May 2018
					Learning Development Team identified Modules with low pass rates and use interventions to review pedagogic practice.		Improve the status of re-enrolment as a core university business process, leading a review and improvement of current process, and establishing an identified business owner.	Shan Wareing	31 Jul 2018
					Student Engagement Interms make contact with all students meeting certain criteria for exam or coursework omission.		Implement a minimum specification for personal tutoring, ensuring consistent student support & increasing progression rates.	Shan Wareing	31 Jul 2018
					Student Welfare advice and support provided by Student Life Centre		CRIT to work with Schools and course teams to embed learning development in targeted courses or high impact modules with pass rates less than 40%.	Saranne Weller	31 Jul 2018
					Study Support & Skills Sessions provided by the Library & LRC		Oversee action taken against 18/19 Roadmap priority to reduce the quantity of assessment, review the approach to assessment, and to reduce the proportion of assessment by examination.	Saranne Weller	31 Jul 2019
					The implementation of the Educational Framework supports a more inclusive curriculum in terms of curriculum content and pedagogy		Oversee LEAP workstreams planned to increase our ability to provide course leaders with student data and the ability to track student engagement.	Shan Wareing	30 Jul 2020

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Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
518	Core student systems have limited flexibility for market adaptation or rely on manual work arounds	Shan Wareing	<p>Cause: Core course administration processes & systems (QL, timetabling, Moodle, MyLSBU) require manual and emergency interventions to function. Non standard delivery challenges existing protocols and procedure. System infrastructure limitations, or slow change mechanisms may not meet all the needs of emerging delivery models, from student or management perspective</p> <p>Effect: Lack of clear information provision to students and staff, with negative impact on student experience & reputational damage. Students fail to attend teaching sessions, submit work on time or receive marks, so progression suffers. Staff compensating for systems failures, or inventing work arounds are distracted from other activity leading to failures elsewhere. Staff morale suffers and sickness rate and turnover rate increase.</p>	I = 2 L = 3 Medium (6)	<p>LEAP Programme Director provides regular progress updates to MPIC Committee for Board scrutiny of progress.</p> <hr/> <p>LEAP Programme Progress Updates scrutinised at Academic Board, to oversee progress and assess fit with strategy and existing practice.</p> <hr/> <p>Operational Issues reported and tracked through ICT TopDesk system, with internal escalation protocols.</p>	I = 2 L = 2 Medium (4)	Implement a modern student enquiry management approach, to deliver a holistic approach to information provision and query management	Kirsteen Coupar	31 Jul 2018

Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
519	Negative Assessment of Curriculum Compliance	Shan Wareing	<p>Cause: Transition to OfS regime could result in new approach to monitoring or review, or to standards. Increase in activity could lead to overstretched teams and a failure to complete adequate quality processes in the Schools or PSGs. Academic staff insufficiently prepared for quality processes, (new to HE or lack of appropriate professional development). Significant changes to curriculum not processed through formal mechanisms. High risk activity with partners (placement, international partners, UK partners (particularly FE or schools education) does not have adequate resource or expertise allocated to it to identify and manage risks.</p> <p>Effect: Quality code processes not followed, leading to failures in quality, and negative external assessment. Negative impact on Board of Governors ability to sign off OfS assurances or returns. Potential for unwelcome result from Annual Provider Review, TEF process submissions, or indeed achievement of OfS registration conditions, impacting on University status. Leading to negative impact on income & reputation, through recruitment levels, and differing fees. Negative judgement by Competition and Markets Authority and cost of legal challenge. Could act as barrier to recruitment of international students, further affecting income and reputation.</p>	<p>I = 3 L = 3 High (9)</p> <p> </p>	<p>Academic Audit process monitored by Academic Board via periodic reports from Quality & Standards Committee (QSC).</p> <hr/> <p>OfS Registration Task Force reporting regular progress to Executive, with workstream on CMA compliance.</p>	<p>I = 3 L = 1 Medium (3)</p> <p> </p>	Oversee submission of OfS Registration documentation.	James Stevenson	31 May 2018
							Oversee transition of Curriculum Set up responsibility into the Registry team.	Ralph Sanders	31 Jul 2018
							Oversee translation of all existing course specifications into new Educational Framework format, incorporating CRIT guidance principles, to ensure parity with newly validated courses.	Janet Bohrer	31 Jul 2019

Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
494	Inconsistent delivery of Placement activity across institution	Shan Wareing	<p>Cause: Insufficient human resource allocation centrally and in Schools Insufficient expertise within LSBU. Lack of allocation of sufficient central and School human resource. Speed of implementation without underpinning project planning or learning from the sector. Lack of assurance over offsite workplace conditions.</p> <p>Effect: Placement practice may not comply with Chapter B10 of the Quality Code, so may be a quality risk. LSBU may not be able to provide a placement, internship or professional opportunity for all UG students entering in 2016 and after, leading to a CMA risk Placements may not deliver a good student experience, creating a risk to achievement of NSS improvement plans. Duty of care to students re workplace safety may not be met, creating a reputational risk. Potential insurance risk.</p>	I = 2 L = 2 Medium (4)	Utilisation of new software platform 'InPlace' enables efficiencies in the Schools & the centre, and supports constancy of process and knowledge sharing.	I = 2 L = 1 Low (2)	Complete onboarding of remaining Schools to InPlace Operational procedures and User Group.	Sukaina Jeraj	31 Jul 2018

Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
402	Income growth expected from greater research and enterprise activity does not materialise	Paul Ivey	Cause: 1) Challenging market environment with high competition for similar opportunities and funders. 2) Lack of proven forecasting systems & recent static performance 3) Aggressive and complex turnaround required carries intrinsic high risk. 4) Dependence on HSC CPPD income (circa 50% of enterprise£) 5) New structures fail to entice and encourage academic participation in activity. 6) Limitations of academic capacity and capability. 7) Internal competition for staff time over and above teaching. Effect: 1) Income growth expectations unrealised. 2) Undiversified enterprise portfolio. 3) Lower financial contribution, as an increased proportion of delivery is sourced outside core academic staff. 4) Increased dependency on generating enterprise opportunities via Knowledge Transfer outreach as opposed to an academic-led stream, results in higher opex costs. 5) The holistic benefits for teaching and the student experience are reduced. 6) Proportion of staff resource diverted to winning new funding is significantly increased. 7) Reduced research income adversely affects the research environment, publication rates, evidence of impact, student completions, & ultimately LSBU REF 2020 rating. 8) Inability to align academic resource with identified market opportunities.	I = 2 L = 2 Medium (4)	Annual AURA audit assesses levels & quality of staff outputs.	I = 2 L = 2 Medium (4)	Establish a CPD offering for Health Professionals in collaboration with School of Health & Social Care.	Paul Ivey	30 Nov 2017
					Bid writing workshops for academic staff delivered routinely		Establish revised operating structure for new SBUEL+ enterprise subsidiary.		
					Enterprise Business Plan & strategy submitted for approval annually to Operations Board.		Oversee submission for aceeu.org accreditation. (Accreditation Council for Engaged & Entrepreneurial Universities)		
					Operation of Sharepoint Enterprise Approval Process for authorisation of new income opportunities.				
					Progress against approved REF 21 Strategy reviewed quarterly.				
					R&E activity Pipeline Reports (Financial & Narrative) will be provided to each Operations Board Meeting to aid constant scrutiny and review of progress against 5 year income targets.				

Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
495	Impact of Higher Apprenticeship degrees on existing recruitment markets	Pat Bailey	<p>Cause: Higher Apprenticeship degrees present an opportunity for LSBU to grow student numbers in a new market. Offering and administrating apprentice schemes requires compliance with ESFA funding regulations, with revised funding models depending on successful EPAs, and could open up new areas of the institution to scrutiny from Ofsted. The economic returns of this activity could be impacted if there are any caps imposed on current funding levels, or if the full cost of administration exceeds current estimations. New Literacy & Numeracy support schemes are being piloted to develop apprentices to the required levels.</p> <p>Effect: These degrees could cannibalise existing employer-sponsored students. LSBU currently has c.4,000 students on part-time courses, majority employer-sponsored & income from 1,400 students (£3.3m) could be affected. SFA audit failure, or lower than expected completion rates could lead to funding clawback, and Ofsted inspection failure could lead to reputational damage.</p>	I = 3 L = 1 Medium (3)	6 monthly progress report from Apprenticeships Steering Group scrutinised by Academic Board covers IPTE and Passmore Centre.	I = 3 L = 1 Medium (3)	Determine structure of IPTE when shape of LSBU family confirmed.	Pat Bailey	30 Sep 2018
					Monthly meetings of Apprenticeships Committee review all related operational matters.		Arrange soft launch of Passmore Centre following refurbishment programme.	Pat Bailey	31 Oct 2018
						Arrange formal launch of Passmore Centre following refurbishment & soft launch.	Pat Bailey	29 Mar 2019	

Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
457	Anticipated international & EU student revenue unrealised	Paul Ivey	<p>Cause: UK government process / policy changes. Restriction on current highly trusted sponsor status. Issues connected with english language test evidence. Anticipated TNE growth does not materialise. TNE partnerships are not approved, present quality risks, or break down due to absence of adequate support structures, or when contacts relocate.</p> <p>Effect: LSBU unable to organise visas for students who wish to study here. International students diverted to other markets. Expected income from overseas students unrealised. Conversion impact of LSBU TNE students doesn't materialise. TNE enterprise expectations unrealised.</p>	I = 3 L = 3 High (9)	<p>Engagement between International Office, Registry & School Admin teams to ensure UKVI requirement compliance, specifically regarding:</p> <ul style="list-style-type: none"> - Visa applications and issue of CAS - English language requirements - Reporting of absence or withdrawal <hr/> <p>International & EU recruitment Reports presented to each meeting of Ops Board.</p> <hr/> <p>International Office runs annual cycle of training events with staff to ensure knowledge of & compliance with UKVI processes.</p> <hr/> <p>Regular reporting of Visa refusal rates to Director of Internationalisation by Immigration Team.</p>	I = 3 L = 3 High (9)	<p>Ensure financial model for partnerships recognises the costs of managing risks to quality and the student experience.</p> <hr/> <p>Develop new institutional partnerships with EU partners.</p> <hr/> <p>Implementation of Legal Audits recommendations (Pennington and Eversheds) in relation to Tier 2 UK Visas.</p> <hr/> <p>Establish up to 5 overseas offices, with common management oversight and reporting lines.</p> <hr/> <p>Oversee Internationalisation campaign across LSBU Schools.</p>	Paul Ivey	01 Aug 2017
								Stuart Bannerman	31 May 2018
								Markos Koumaditis	31 May 2018
								Stuart Bannerman	31 Jul 2018
								Stuart Bannerman	31 Jul 2018

Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
517	Impact of EU Referendum result on operating conditions & market trends	David Phoenix	<p>Cause: Following the vote to 'Leave', the Government is working towards a plan to extract the UK from the European Union.</p> <p>Effect: Staff impact: The outcome could impact on the ability of some existing staff to remain in the UK, and could impair the ability for future recruitment, both from Europe, and from other overseas territories. Recruitment impact: Currently EU students pay home fees & can access the UK student loan system. It is likely that higher fees and removal of this access will have a significant impact on the appeal of the UK to European applicants long term. Additionally the reporting of the Brexit outcome is having a negative impact on the reputation of the UK as a welcoming destination. These impacts on the sector could also cause changes in recruitment patterns at well-ranked institutions, which could have a negative impact on applicant pools elsewhere. Research Funding: Leaving the EU is likely to remove the ability of LSBU to partner in EU research projects, and access Horizon 2020 funding opportunities and limit access to structural funds. Legislative Compliance: There could be additional administration cost in updating many EU compliant processes if regulations are amended. Impact on bond yields could affect year end pension liabilities.</p>	I = 2 L = 3 Medium (6)	Use of London economic models to estimate impact on student recruitment and model reductions in EU student numbers and identify mechanisms to compensate	I = 2 L = 1 Low (2)	Consider developing the LSBU campus at Cambridge with TWI to foster greater linkages with industry.	Gurpreet Jagpal	21 Dec 2018
							Monitor development of proposals around Shared Prosperity fund.	David Phoenix	31 Jul 2019

Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
1	Organisational responsiveness to policy changes, external perception & shifts in competitive landscape	David Phoenix	Cause: - Changes to fees and loan funding models - Transition to OfS as sector regulator and risk based assessment approach - Increased competition from Private Providers and other HEIs post SNC - The Apprenticeship Levy & programme development - Evolving external assessment through TEF mechanisms - Failure to anticipate change - Failure to position (politically) & (capacity/structure) Effect: - Reduced student recruitment - Failure to differentiate provision - Workforce out of alignment with portfolio - Impaired external recognition through subject level tef - Burden of response to regulatory intervention, and potential impact or outcome of decision - Registration failure with OfS leading to loss of University Title and access to current levels of funding.	I = 2 L = 3 Medium (6)	Annual articulation of corporate strategy by Executive through Corporate Roadmaps.	I = 2 L = 1 Low (2)	Chair OfS registration Task Force, and oversee submission of registration documentation following Board approval.	James Stevenson	31 May 2018
					Chief Marketing Officer on Executive leads strategic development of brand and portfolio.		Oversee full process review by OfS Task Force to ensure ongoing obligations from registration are fully embedded within routine operations.	James Stevenson	28 Sep 2018
					Corporate Affairs unit maintain relationships with key politicians and influencers, in local boroughs and amongst FE providers.		Develop LSBU family to align with Government strategy and opportunities around technical education.	David Phoenix	21 Dec 2018
					Financial controls, forecasting process & restructure capacity enable tracking of forward operating surplus target.		Consider future skills requirements of LSBU group as part of wider review of staff costs.	David Phoenix	21 Dec 2018
					Horizon scanning report produced weekly by the Corporate Affairs Unit		Develop SBE as a commercial entity to exploit opportunities around international and U.K. CPD.	Paul Ivey	30 Sep 2019
362	Low staff engagement or staff cost containment impacts performance	Pat Bailey	Cause:	I = 3 L = 3 High (9)	Internal Comms campaign to promote Employee engagement using #wevalueyourvoice.	I = 3 L = 1 Medium (3)	Oversee implementation of 2018 Staff Engagement Survey and dissemination of results to Institution.	Adnan Bajwa	31 Jul 2018

Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
	negatively		<ul style="list-style-type: none"> •Systems and structure do not facilitate teamwork between areas of the University •Staff feeling that they do not have easy access to relevant information directly linked to them and their jobs •Poor pay and reward packages •Poor diversity and inclusion practises •Limited visibility of Leadership •Lack of quality physical estate •Frozen fee levels & continued recruitment challenges have contributed to flat income predictions & the planned staff cost reduction programme <p>Effect:</p> <ul style="list-style-type: none"> •Decreased customer (student) satisfaction •Overall University performance decreases •Low staff satisfaction results •Increased staff turnover •Quality of service delivered decreases •Disruption in service provision •Skills / knowledge gaps that impact on delivery 		<p>Central Comms messages cascaded to Congress / Town Hall Meetings within each School & PSG.</p> <hr/> <p>Direct staff feedback is encouraged through the Continuing the Conversation VC events, & via Yammer.</p> <hr/> <p>Employee engagement champions for each Schools & PSG actively support engagement initiatives.</p> <hr/> <p>HR Business Partners manage all change activity</p> <hr/> <p>Leadership forum group established to connect management levels</p> <hr/> <p>New social spaces and forums for staff enable staff to collaborate outside of work structures.</p> <hr/> <p>Organisational Effectiveness Meetings review progress against Workforce development and engagement plans.</p> <hr/> <p>Planning framework provides golden thread connecting Corporate Strategy, through Roadmaps to Staff Appraisal.</p> <hr/> <p>Regular engagement with Unions on staff matters</p> <hr/> <p>Shape & Skills approach to review of staff base</p>				



Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
2	Course portfolio, or related marketing activity and admissions processes do not achieve Home UG & PG recruitment targets	Nicole Louis	Cause: - Increased competition from selective institutions and private providers - Failure to articulate compelling brand to applicants - Long term payback period of re-positioning activity - Declining applicant pool - Excessive churn within MAC workforce - Lack of ability to anticipate demand and re-shape provision. - Negative reputational impact of unmanaged external events - Portfolio or modes of delivery not aligned with market demand - Change to historic conversion levels amongst applicants - Limited internal focus on PG developments & recruitment - Impact of differentiated fees on applicant behaviour - Reduced applicant awareness during clearing period as campaign funds directed into revised brand. Effect: - Under recruitment against targets - Related loss of income, and impact on corporate ambitions - Undermining of course profitability	I = 4 L = 3 Critical (12)	Advance predictions of student recruitment numbers informs the Annual five year forecast submitted to Hefce each July	I = 4 L = 3 Critical (12)	Develop revised School & College Outreach Strategy, with broader footprint outside local boroughs, which includes LSBU Family MAT institutions.	Sarah Gordon	30 Nov 2017
					Annual QSC approval of validation cycle informed by market insight		Plan for corporate comms shared with Executive.	Judith Barnard	30 Nov 2017
					Clearing Opens in July for BTEC students		Executive review of proposal for LSBU Brand Architecture.	Judith Barnard	31 Jan 2018
					Conversion trend data analysis allows identification of target areas for focus and resource.		Complete revision of School web page content & imagery.	Steven Brabenec	30 Mar 2018
					Cycle of School student number reviews, allow MAC stress testing of TM1 enrolment forecasts, and development of joint targets for next recruitment cycle.		Oversee further refinement of Brand Narrative, conduct testing, and present results to Executive.	Judith Barnard	30 Apr 2018
					DARR applications report presented to Operations Board & reviewed by FP&R Committee.		Develop creative institutional brand campaign with revised narrative and brand architecture for start of next cycle.	Nicole Louis	31 Jul 2018
					Fortnightly Marketing Operations Board reviews latest applications cycle data.		Re-engineer response protocols for all applicants, by School, Level, and Area of Study, with revised process statements and related messaging.	Steven Brabenec	31 Jan 2019
					Weekly recruitment summary circulated to Executive.				



Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
3	Staff pension scheme deficit increases	Richard Flatman	Cause: - Increased life expectancies - Reductions to long term bond yields, which drive the discount rate - Poor stock market performance - Poor performance of the LPFA fund manager relative to the market - Further change to accounting requirements for TPS & USS schemes Effect: - Increased I&E pension cost means other resources are restricted further if a surplus is to be maintained - Balance sheet is weakened and may move to a net liabilities position, though pension liability is disregarded by HEFCE - Significant cash injections into schemes may be required in the long term - Inability to plan for longer term changes	I = 3 L = 3 High (9) 	Annual FRS 102 valuation of pension scheme	I = 3 L = 2 High (6) 	Presented Mercers costed scenarios to the next meeting of FP&R.	Richard Flatman	26 Jun 2018
					DC pension scheme for SBUEL staff. Regular monitoring of national/sector pension developments and attendance at relevant conferences and briefing seminars by FMI Management team. Regular participation in sector review activity through attendance at LPFA HE forum, BUFDG events & UCEA pensions group by CFO or deputy. Reporting to every Board of Governors meeting via CFO Report Strict control on early access to pension at redundancy/restructure Tight Executive control of all staff costs through monthly scrutiny of management accounts		Consider HR implications of options paper.	Pat Bailey	30 Jun 2018

Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
6	Management Information is not meaningful, reliable, or does not triangulate for internal decision or external reporting	Richard Flatman	Cause: - Lack of understanding of system dependencies - Proliferation of technology solutions - Data in systems is inaccurate - Data in systems lacks interoperability - Resource constraints & insufficient staff capability delay system improvement - Lack of data quality control and assurance mechanisms Effect: - Insufficient evidence to support effective decision-making at all levels - Inability to track trends or benchmark performance - Internal management information insufficient to verify external reporting - unclear data during clearing & over-recruitment penalties - League table position impaired by wrong data - Failure to satisfy requirements of Professional, Statutory and Regulatory bodies (NHS, course accreditation etc)	I = 3 L = 3 High (9) 	Data Assurance Group meets every 6 months to review matters of data quality and provides reports to Operations Board.	I = 3 L = 1 Medium (3) 	Develop and circulate a set of performance scorecards for Professional Service Groups and Schools, for review at Operational Effectiveness Meetings.	Richard Duke	31 May 2018
					Internal Auditors Continuous Audit programme provides regular assurance on student and finance information, including UKVI compliance.		Deliver phase 2 of MIKE data programme, to incorporate Financial and HR data in management platform, with related dashboards for management teams.	Richard Duke	29 Jun 2018
					Sporadic internal audit reports on key systems through 3 year IA cycle to systematically check data and related processes: - HR systems - Space management systems - TRAC - External returns Systematic data quality checks and review of external data returns prior to submission to HESA by PPA team.		Established revised corporate dataset and related dashboard within MIKE for monitoring applications & associated income flows for 2019/20 entrants.	Richard Duke	21 Dec 2018

Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
14	Loss of NHS contract income	Warren Turner	<p>Cause: NHS financial challenges/ structural changes resulting in a total review of educational commissioning by Health Education England with an expected overall reduction in available funding (affecting CPPD). London Educational Contract bursaries ceasing for new Pre-Registration students from Sept 2017, with students accessing student loans. Loss of placement capacity.</p> <p>Effect: Recruitment to contracted programmes could dip following shift away from bursaries to tuition fees, leading to reduction in income. Reduced quality of applicants Reduced staff numbers Reduced student numbers</p>	I = 2 L = 3 Medium (6)	Monitor quality of courses (QCPM and NMC) annually in autumn (QCPM) and winter (NMC)	I = 2 L = 2 Medium (4)	Consult with employer stakeholders and GMC re the development of a Physician Associate training programme at LSBU.	Warren Turner	31 Jul 2018
					Named Customer (Key Account) Manager roles with NHS Trusts, CCGs and HEE, managing relationships including placement provision. Summary of Key Accounts presented at monthly School Exec Team Meetings for review and action where necessary.		Oversee enhanced approach to processing NHS contract applications, with improved response times for testing and offer making.	Kathryn Gilmore	31 Aug 2018
					Support provided to applicants with numeracy and literacy test preparation.		Following LSBU lead on the National Trailblazer for Advance Clinical Practitioner (ACP), to ensure that our portfolio includes a Level 7 Apprenticeship for ACP ready for NHS procurement to begin.	Alison Twycross	30 Nov 2018
							Revalidate nursing degree programmes to meet both the new NMC standards and to incorporate apprenticeship mode of delivery ready for NHS procurement of the Nurse Degree Apprentice.	Alison Twycross	31 Jan 2019
							Validation of new FdSc Nursing Associate course to meet the forthcoming standards produced by the NMC for future registration of this role (following our useful pilot of this course with Barts Health and GOSH).	Lesley Marsh	28 Feb 2019

Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
37	Affordability of Capital Expenditure investment plans	Richard Flatman	Cause: - Poor project controls - Lack of capacity to manage/deliver projects - Reduction in agreed/assumed capital funding - Reduction in other government funding Effect: - Adverse financial impact - Reputational damage - Reduced surplus - Planned improvement to student experience not delivered - Inability to attract new students	I = 3 L = 3 High (9)	Capex reporting is embedded into management accounts provided to each meeting of the FP&R Committee, & into financial forecasts approved annually by Board.	I = 3 L = 1 Medium (3)	Test options for St George's Quarter with Clive Crawford Associates	Richard Flatman	30 Apr 2018
					Estates & Academic Environment PSG have local project methodology, with project controls, & governance applied to all Capex projects. Financial regulations require all major (>£2m) capital expenditure to receive Board approval Full Business Cases prepared; using Executive approved process - including clarity on cost and funding, for each element of Estates Strategy. Major Projects & Investments Committee (MPIC) reviews all property related capital decisions, and is empowered to approve all unplanned capital expenditure > £500K but <£1M.		Work with Finalysis to develop loan funding proposals.	Richard Flatman	29 Jun 2018
305	Corporate & personal data not accessed or stored securely, or processed appropriately	Shan Wareing	Cause: Unauthorised access to data Inappropriate use of personal data Loss of unencrypted data assets Breach of digital security; either en masse (e.g. cyber attacks) or specific cases (e.g. phishing scams) Regulatory failure Use of unsupported storage locations Effect:	I = 3 L = 2 High (6)	A privacy impact assessment is a required stage of the ICT project initiation process.	I = 3 L = 1 Medium (3)	Oversee complete upgrade of all remaining Windows XP and Windows 2003 machines.	Craig Girvan	22 Dec 2017
					All changes to digital infrastructure reviewed quarterly by ICT Technical Roadmap Board.		Report Progress on GDPR project to Audit Committee.	James Stevenson	30 Jun 2018
							Oversee appointment to Head of Information Security role	David Mead	30 Jun 2018

Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
			<p>Financial penalty under General Data Protection Regulations.</p> <p>Cost and impact of staff resource diverted to deal with issues, Staff downtime when systems unavailable</p> <p>Reputational damage, undermining academic credibility.</p> <p>Compromise of competitive advantage.</p>		<p>IT access permissions linked directly with live iTrent HR system records through Active Directory account synchronisation.</p> <hr/> <p>Logical security protocols relating to passwords require change every 6 months, and multiple character combinations.</p> <hr/> <p>Quarterly Mandatory Training Compliance reports are circulated to all Level 2 managers, which includes information on staff compliance with training on data protection and data security.</p> <hr/> <p>Robust breach notification process to close down & contain any breach.</p> <hr/> <p>Weekly Change Control Board chaired by Director of ICT Services reviews all proposed technical changes to infrastructure prior to implementation.</p> <hr/> <p>Weekly running of infrastructure vulnerability management software test results reviewed by Head of Digital Security</p>				

Standard Risk Register



Risk Ref	Risk Title	Risk Owner	Cause & Effect	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Person Responsible	To be implemented by
584	External incident compromises campus operations or access	Mandy Eddolls	Cause: Incident in South London area requires emergency response and restricts freedom of movement Effect: Staff & students unable to reach / leave the campus Interruption to key activities or processes Requirements for alternative accommodation / provision for halls residents	I = 2 L = 2 Medium (4)	Building Lockdown plans in place for implementation by the Security Team as required.	I = 2 L = 2 Medium (4)	Oversee handover of 'Gold Command' responsibility during incident response from Mandy Eddolls.	Pat Bailey	30 Jun 2018
					Business continuity plans for critical activity reviewed annually by resilience team. Emergency Information sets present at every reception building on campus (Floor Plans, Loudhailers & Hi-Vis Jackets) Entire Executive team trained in bespoke incident response approach by Jermyn Consulting. Halls Accommodation aid agreement in place with London School of Economics. Major incident response mechanisms, including Alert Cascade notification system – tested annually.		Oversee implementation of recommendations arising from the incident response plan scenario test.		

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	CONFIDENTIAL
Paper title:	Annual debt write off
Board/Committee	Audit Committee
Date of meeting:	7 June 2018
Author:	Natalie Ferer, Financial Controller
Executive/Operations sponsor:	Richard Flatman, Chief Financial Officer
Purpose:	For approval
Recommendation:	The Committee is requested to approve the write off of uncollected debts which are more than 6 years old, along with additional, more recent debts that have been returned by the debt collection agency as unrecoverable.

Executive Summary

The University has a policy of writing off old debt which is more than six years old, unless there is a reasonable expectation that the money can be recovered.

The Committee is requested to approve the write off of tuition fee debt of £522k in line with financial regulations, which require that Audit Committee approve the annual write off, of debts where the total value exceeds £50,000.

The total debt relating to years 2011/12 and earlier is £1.05m. £92k was invoiced during the past 5 years and we continue to chase payment hence these are not included in the amount proposed for write off. Arrangements have been made to settle £456k of the debt by monthly instalment arrangement and £25k is still being followed up by our debt collection agency, which also has not been included in proposed write off.

The remaining debts of £477k are all more than 6 years old and have been fully provided for in previous financial years. Write off will have no impact on the income and expenditure account for the current year.

self-pay debt at 15/05/18 relating the year	11/12 £K	10/11 £K	09/10 £K	08/09 £K	07/08 & Prior £K	Total £K
Totals	293	567	96	25	69	1,050
Invoices less than 6 Years old	50	14	22	3	3	92
Paying off debt by instalment	231	178	26	7	14	456
STA still pursuing	8	10	7	0	0	25
Other debts	4	365	41	15	52	477
Potential Write-off	12	375	48	15	52	502

Last year, we did not write-off the entirety of the debtor's balances in 2010/11 at £567k, as a large proportion of balance related to invoices less than six years old. We also resubmitted (at no extra cost) these newer balances to our debt collection agents STA. We are now pleased to report that £178k is being recovered from monthly instalments via the collection agency. This has been adjusted in the table above in arriving at the £477k. Our debt collection agents are still chasing debts of £25k bringing the total debt from 11/12 and before proposed for write off to £502k.

In addition, we have £20k of debts from periods less than 5 years old, that relate to debtors that have entered IVA's or bankruptcy, and we would like to recommend a further £20k write-off to committee.

Recommendation

Therefore, we recommend that the committee approve the write off of tuition fee debt of £522k.

	CONFIDENTIAL
Paper title:	Emergency planning report & action plan
Board/Committee	Audit Committee
Date of meeting:	7 June 2018
Author:	Dr Markos Koumaditis, Ed Spacey and Luke Fletcher (Health, Safety & Resilience Team)
Purpose:	To identify improvements in LSBU emergency planning arrangements following the counter terrorism exercise on 5 th February 2018
Recommendation:	That the Executive notes the report and agrees the action plan

Executive Summary

This document outlines the recommendations made by Jermyn Consulting on how to improve LSBU's response to incidents. 11 Recommendations were made and a subsequent action plan has been developed to ensure lessons learnt are captured and response arrangements are improved.

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Outcome of Emergency Planning Exercise

1.0 Purpose

To outline recommendations made by Jermyn Consulting following the completion of the emergency planning counter terrorism exercise and to present an action plan for carrying out these recommendations.

2.0 The Exercise

All members of the Executive and additional senior managers took part in a counter terrorism Tabletop exercise on 5th February. This was based around armed intruders on campus.

Jermyn Consulting praised the University for its commitment to incident management evidenced by our plans and commitment to testing and exercising responses.

3.0 The Post Exercise Report

The exercise showcased a number of strengths in the universities response arrangements but as with any exercise, areas for improvement were identified and have been captured in a Post Exercise Report (**Appendix A**).

11 Recommendations in total were included in the report with high priority recommendations around response actions and incident communications and 5 simple quick wins.

Jermyn Consulting stated that 11 recommendations was low in comparison to other universities and commended the exercise response. By implementing such actions, the university ensures that lessons are learned and response improvements made.

4.0 The Action Plan

An Action Plan (**Appendix B**) has been developed following the receipt of the report to allocate responsibility and timeframes for completion for each of the recommendations.

5.0 Recommendations

1. Note the report and agree to the action plan. The actions will then be implemented, including updates to the Incident Response Plan (IRP).

The IRP will then be presented to the executive committee for final review and approval before sign off and wider distribution.

2. To support and promote the importance of resilience planning across schools and PSGs.
3. To undertake a further executive Tabletop exercise in November 2018.

APPENDIX A – POST EXERCISE REPORT

REPORT FOR

**LONDON SOUTH BANK
UNIVERSITY**

SRT/ TRT SCENARIO EXERCISE

EXERCISE DATE: 05/02/18



ISO 22301: 2012 registered
ISO 27001: 2013 registered

Jermyn Consulting
The Media Centre
7 Northumberland Street, Huddersfield
HD1 1RL

Office: +44(0)1484 487955
Web: www.jermyn.consulting

Project Name:	LSB004 – SRT/ TRT Scenario Exercise		
Document Name:	Report		
Version Control:	Version	Date	Change
	0_1	07/02/18	Draft document
	1_0	13/02/18	Updates following customer review
	2_0	28/02/18	Updates / amendments following customer discussion
Author:	Gary Donlon, Jermyn Consulting		
Distribution:	Ed Spacey, London South Bank University Luke Fletcher, London South Bank University		

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EXECUTIVE SUMMARY

On 5th February 2018, Jermyn Consulting facilitated a scenario-based incident management exercise, designed to develop and rehearse the university's Strategic Response Team (SRT) and Tactical Response Team (TRT) and relevant sections of the Incident Response Plan (the Plan).

The scenario presented involved a terrorist-related attack on campus affecting the university's students, staff and other stakeholders. The exercise was a progressive scenario delivered by Jermyn Consulting using a combination of handouts, audio and visual injects.

The level of attendance and the engagement of attendees demonstrates a commendable level of engagement by the university to incident management and planning. The response by all delegates was good given that this was a particularly challenging scenario. We have made a number of incremental recommendations in this report, and we believe that by implementing them, the effectiveness of the management response will increase. Our high priority recommendations focus on the following:

- The university should ensure that there is the required capability to deploy protocols and procedures such as lock down, deploying emergency contact numbers, engaging third party services and making website updates.
- The university should develop an Incident Communications Plan to specify how the university would deal with the communication requirements of an incident.

The university has already developed many of the supporting materials and protocols that are necessary to ensure an effective incident response. As such, the number and criticality of recommendations we have made in this report compares favourably with other institutions we have worked with. However, it is important that response capability is maintained through an ongoing programme of continual improvement, and a commitment to embed incident response and emergency planning into business as usual management processes.

This report includes:

- An assessment of the exercise;
- A summary of the issues identified during the exercise;
- Prioritised recommendations to address the issues.

1. INTRODUCTION

On 5th February 2018, Jermyn Consulting facilitated a scenario-based incident management exercise, designed to develop and rehearse the university's Strategic Response Team (SRT) and Tactical Response Team (TRT) and relevant sections of the Incident Response Plan (the Plan).

The scenario presented involved a terrorist-related attack on campus affecting the university's students, staff and other stakeholders. The exercise was a progressive scenario delivered by Jermyn Consulting using a combination of handouts, audio and visual injects.

The level of attendance and the engagement of attendees demonstrates a commendable level of engagement by the university to incident management and planning. During the exercise, the SRT and TRT operated as a collective, rather than as two separate teams. The response by all delegates was good given that this was a particularly challenging scenario. We believe that by implementing the incremental recommendations in this report, the effectiveness of the management response will increase.

We have made a number of recommendations in this report. Our high priority recommendations focus on the following:

- Ensure that there is the required capability to deploy protocols and procedures such as lock down, deploying emergency contact numbers, engaging third party services and making website updates.
- Develop an Incident Communications Plan to specify how the university would deal with the communication requirements of an incident.

Gary Donlon of Jermyn Consulting facilitated the exercise. A full list of participants is included in Appendix One. We would like to express our sincere thanks to Luke Fletcher for his assistance in developing the scenario and for making the logistical arrangements.

1.1 This Document

This report is the final deliverable for this engagement and includes:

- An assessment of the exercise;
- A summary of the issues identified during the exercise;
- Prioritised recommendations to address the issues.

2. EXERCISE ASSESSMENT

2.1 Achievement of Objectives

The original objectives of the scenario exercise, as well as an assessment of the extent to which these objectives were achieved are set out in the table below:

Objective	Achieved?
Rehearse the major incident response in a realistic and controlled manner.	Yes
Increase SRT and TRT members' confidence and competence to respond to a major incident.	Yes
Assess the SRT, TRT and the Plan and their fitness for purpose.	Yes
Review documentation produced during the event.	Yes
Identify any actions required to improve resilience and response capability.	Yes

3. OBSERVATIONS AND RECOMMENDATIONS

3.1 Prioritisation of Recommendations

The table below contains a high-level representation of the priority that should be attached to the recommendations contained in this section of the report.

Code	Priority	Definition
H	High	This recommendation directly affects the university's ability to respond to an incident. Address first.
M	Medium	Failure to address the recommendation may diminish the university's ability to respond to an incident. Address next.
L	Low	This recommendation impacts the ability of the university to manage and maintain the overall effectiveness of incident management. Address last.
Q	Quick win	This recommendation may not have a high importance but, in our opinion, can be addressed relatively easily and will add to the overall improvement of incident management. Address as time and resources allow.

3.2 Detailed Observations and Recommendations

Jermyn Consulting has developed a range of assessment criteria against which the SRT/ TRT’s performance has been measured. Observations are by exception only.

Personnel

#	Criteria	Observation	Recommendation	Priority Code
1	SRT/ TRT interface	Delegates agreed that the SRT/ TRT and ORT structure works well for the university. Where such a structure exists, and where the teams will be operating independently, it is important that there is an effective interface between the SRT and TRT in particular.	Designate one of the SRT role holders (preferably not the Strategic Commander) to act as a formal interface with the TRT; add this activity to the respective role and responsibilities checklist. This will ensure that tactical deployment aligns with strategic direction.	Q

Assessment and Response

#	Criteria	Observation	Recommendation	Priority Code
2	Response actions	In order to respond effectively to the events outlined in the scenario, a number of supporting emergency protocols were referenced (for example lock down, website updates, emergency number deployment, alert cascade and International SOS). There was a general lack of clarity regarding what these protocols are, how they might be deployed and by whom.	<ul style="list-style-type: none"> Develop a checklist to specify the supporting resources that are available to assist the response. The checklist should identify an owner for each resource, together with a deployment method and timeline. Train SRT and TRT members as appropriate regarding the deployment and operation of these resources. 	H
3		It is important that individual role holders are aware of the requirements of the role that they are being asked to fulfil. This is particularly the case at the beginning of the response when role holders may be required to fulfil alternative roles. The Strategic Commander (SRT) or Tactical Commander (TRT) must ensure that all required roles are fulfilled and that role holders are conversant with the role.	Add an additional responsibility to the Strategic Commander and Tactical Commander checklist to ensure that roles are properly assigned to individuals. In addition, role holders must be able to fulfil the role for the required duration.	Q

#	Criteria	Observation	Recommendation	Priority Code
4	Status board	The Loggist completed a status board to illustrate events and actions. However, the team tended to lose track a little of previously agreed actions, since the status board was not used as an active tool during the response. In addition, the status boards themselves became a little cramped and somewhat illegible. As such team members were unable to use them as a point of reference.	Develop a robust system for managing the status boards and train the Loggist(s) in their use. <ul style="list-style-type: none"> A manual status board may be most appropriate when the SRT/ TRT are meeting physically in an Incident Command Room. An electronic status board may be most appropriate when meetings are held virtually. The Microsoft Teams application could be used for this purpose (alternative instant messaging systems such as Slack and Jabber are also popular). 	M
5		It became apparent that maintaining the status board up to date was difficult to achieve for one person.	Increase the number of staff deployed to the Loggist role. We recommend at least two people – one to manage the status board, and one to provide support and generate verbatim notes.	M
6	Evaluate and revise	Informal discussions regarding the status of the response were ongoing throughout the exercise. However, there were no formal status reviews whereby each team member summarised current issues, thoughts, concerns and next steps from their own perspective.	<ul style="list-style-type: none"> Formalise regular status reviews as one of the responsibilities of the Strategic Commander. Such reviews can also be used to ensure all events and actions are logged, as well as providing an accurate time line of the incident. 	Q

#	Criteria	Observation	Recommendation	Priority Code
7	Objectives and strategies	The response was largely reactive to events; objectives and priorities were not set until prompted by the facilitator. Whilst this is to be expected in a short duration exercise, it is important that the SRT sets such parameters within which the TRT can deploy resources. Establishing objectives and parameters at the beginning of any response assists in maintaining focus and provides a basis for periodic review.	<p>Develop a collective role and responsibility checklist for the SRT to supplement the existing individual checklists. The collective checklist should require the SRT to clearly set out:</p> <ul style="list-style-type: none"> • Objectives for the response. • Parameters for the response. • Priorities for the response. • The response strategy. <p>Periodic status reviews can be used to ensure that the response aligns with the parameters set (see 5, above).</p>	M

Coordination and Communication

#	Criteria	Observation	Recommendation	Priority Code
8	Incident communications	There appeared to be no clear incident communication strategy or deployment plan. For example, it was unclear how the university would deal with mass inbound contacts (whether by social media, telephone calls or email). Also there was no clear definition of who would represent the university as a “talking head” or how members of the executive would be deployed.	<ul style="list-style-type: none"> • Develop an Incident Communications Plan to specify how the university would deal with the communication requirements of an incident. This should also specify how the necessary resources will be deployed. • Develop a Communications Hub that would sit adjacent to the SRT to ensure that effective and timely communications are issued across multiple channels. 	H M
9	Stakeholder management	Effective stakeholder management is a key component of incident management. The teams did not specify who the key stakeholder groups were, and as a consequence there was a lack of focus upon them.	<ul style="list-style-type: none"> • Specify key stakeholder groups at an early stage in the response. • Assign individual SRT members to ensure that each stakeholder group is effectively managed. 	Q

Plans and Resources

#	Criteria	Observation	Recommendation	Priority Code
10	Incident Response Plan	<p>The Incident Response Plan was referred to occasionally by delegates and it is a useful document. However there is content on the document that does not assist the actual response (e.g. content relating to training and exercising).</p> <p>The document may be used more readily if it were structured as a workbook plan, orientated around an agenda for the SRT/ TRT meetings.</p>	<ul style="list-style-type: none"> • Move unnecessary content from the main sections of the Plan into the appendix. • Develop an extract workbook plan document from the existing Incident Response Plan. This action-orientated document should follow the chronology of incident response (confirm incident; develop response; implement response; review/ stand down) and can be used by the SRT/ TRT to assist the acute phase of the incident response. The existing Incident Response Plan should remain in place to provide supplementary guidance. • Ask team members to review their role and responsibilities checklists to ensure that they provide sufficient content for secondary or tertiary role holders. 	<p>Q</p> <p>L</p> <p>Q</p>
11	Resources	<p>Several customers have found it useful to set up a central information repository containing documents, procedures and information that would be useful during an incident response. This ensures that the latest versions of documents, procedures, notices and contact lists are accessible to all team members.</p>	<ul style="list-style-type: none"> • Set up a central information repository (e.g. a SharePoint site) for use by the SRT and TRT. This site should be owned and maintained by the Safety and Resilience Adviser. • The site could contain the Incident Management Plan, appendix documents, Business Continuity Plans, the Incident Communication Plan (refer to 8, above), instructions for initiating supporting resources, contact lists and so on. 	<p>L</p>

APPENDIX ONE – PARTICIPANTS

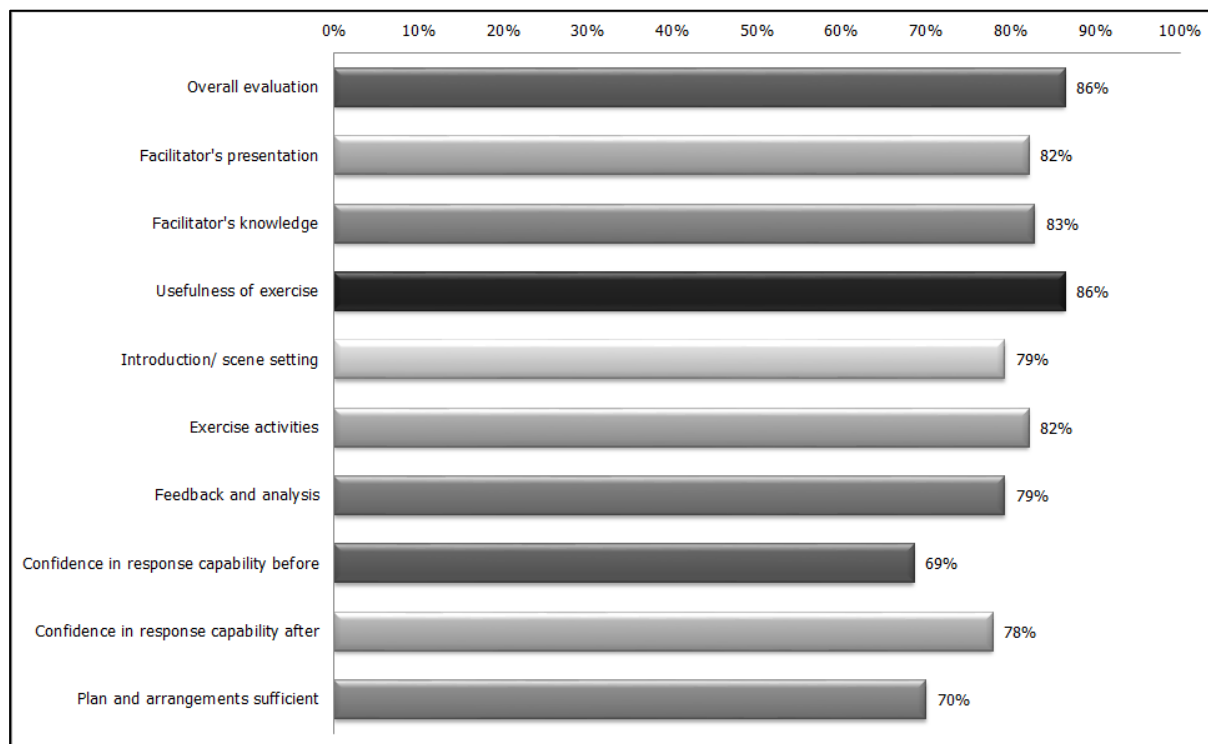
Name	SRT/ TRT Role
Strategic Commander (SRT)	Prof David Phoenix
Academic Related Resources (SRT)	David Mead
Estates (SRT)	Ian Mehrtens
Governance (SRT)	James Stevenson
School (Arts & Creative Industries) (TRT)	Prof Janet Jones
Communications (TRT)	Judith Barnard
Loggist (SRT)	Karen Jones
Student Support (TRT)	Kirsteen Coupar
People & Organisation (SRT)	Markos Koumaditis
Communications (SRT)	Nicole Louis
Schools (SRT)	Prof Pat Bailey
Research & External Engagement (SRT)	Prof Paul Ivey
Procurement/ Finance (TRT)	Penny Green
Student Support (SRT)	Prof Shan Wareing
Security (TRT)	Simon Francis

Observers: Ed Spacey; Luke Fletcher

Facilitator: Gary Donlon, Jermyn Consulting

APPENDIX TWO – DELEGATE FEEDBACK

Delegates were asked to assess the exercise; the results below reflect the 14 responses received. Any substantive comments or observations have been included in section 3.2 of this report.



Areas requiring review:

- We need to establish a means of contacting staff and students quickly. Review our communication platforms.
- More clarity regarding the International SOS service – what it can do, how to use it and its limitations.
- A more robust process for how the initial team can be set up.
- There needs to be at least two Loggists.
- There needs to be a briefing regarding business continuity arrangements – specifically for key processes such as time table.
- Review membership of the SRT and TRT; there is no understanding of student issues currently at a strategic level. There is a missing focus on students.
- There is a lack of clarity regarding how long it would take to lock down, how lock down would be signalled and how it would be achieved.
- Review how long it would take to cascade leadership decisions and actions across the estate.
- Security under staffed as need to rely on evacuation assistants who would be not on campus out of hours.

Other comments (e.g. things you would like to see changed for future exercises):

- The exercise was the best learning process; we need more scenario exercises.
- More time to think through the issues.
- Introduction was too drawn out but the main exercise was useful and interesting.
- Split out the strategic response team and tactical team.
- Feels very real, quite sobering.

- Expertise on mental health and well being to inform communications and strategic decisions are missing.
- Who are mental health first aiders?

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APPENDIX B – Post Exercise Action Plan

Post Exercise Action Plan					
#	Criteria	Recommendation	Who?	By When?	Comments
1	SRT/ TRT interface	Designate one of the SRT role holders (preferably not the Strategic Commander) to act as a formal interface with the TRT; add this activity to the respective role and responsibilities checklist. This will ensure that tactical deployment aligns with strategic direction.	Luke Fletcher	27/04/2018	
2	Response Actions	<ul style="list-style-type: none"> Develop a checklist to specify the supporting resources that are available to assist the response. The checklist should identify an owner for each resource, together with a deployment method and timeline. Train SRT and TRT members as appropriate regarding the deployment and operation of these resources. 	Luke Fletcher (with assistance from TRT members)	25/05/2018	
			Relevant resource owner	29/06/2018	
3	Response Actions	Add an additional responsibility to the Strategic Commander and Tactical Commander checklist to ensure that roles are properly assigned to individuals. In addition, role holders must be able to fulfil the role for the required duration.	Luke Fletcher	27/04/2018	
4	Status Board	<p>Develop a robust system for managing the status boards and train the Loggist(s) in their use.</p> <ul style="list-style-type: none"> A manual status board may be most appropriate when the SRT/ TRT are meeting physically in an Incident Command Room. An electronic status board may be most appropriate when meetings are held virtually. The Microsoft Teams application could be used for this purpose (alternative instant messaging systems such as Slack and Jabber are also popular). 	Luke Fletcher / Loggists	27/08/2018	

APPENDIX B – Post Exercise Action Plan

Post Exercise Action Plan					
#	Criteria	Recommendation	Who?	By When?	Comments
5	Status Board	Increase the number of staff deployed to the Loggist role. We recommend at least two people – one to manage the status board, and one to provide support and generate verbatim notes.	Mandy Eddolls	31/08/2018	
6	Evaluate and Revise	<ul style="list-style-type: none"> Formalise regular status reviews as one of the responsibilities of the Strategic Commander. Such reviews can also be used to ensure all events and actions are logged, as well as providing an accurate time line of the incident. 	Luke Fletcher / Mandy Eddolls	27/07/2018	Develop Time Out procedure
Page 228	Objectives & Strategies	<p>Develop a collective role and responsibility checklist for the SRT to supplement the existing individual checklists. The collective checklist should require the SRT to clearly set out:</p> <ul style="list-style-type: none"> Objectives for the response. Parameters for the response. Priorities for the response. The response strategy. <p>Periodic status reviews can be used to ensure that the response aligns with the parameters set (see 5, above).</p>	Luke Fletcher	31/08/2018	
	8	Incident Communications	<ul style="list-style-type: none"> Develop an Incident Communications Plan to specify how the university would deal with the communication requirements of an incident. This should also specify how the necessary resources will be deployed. Train staff in the use of the new plan. Develop a Communications Hub that would sit adjacent to the SRT to ensure that effective and 	<p>Judith Barnard</p> <p>Judith Barnard</p> <p>Judith Barnard</p>	<p>27/05/2018</p> <p>27/06/2018</p> <p>31/07/2018</p>

APPENDIX B – Post Exercise Action Plan

Post Exercise Action Plan					
#	Criteria	Recommendation	Who?	By When?	Comments
		timely communications are issued across multiple channels.			Grayling for on-call specialist crisis PR support.
9	Stakeholder Management	<ul style="list-style-type: none"> Specify key stakeholder groups at an early stage in the response. Assign individual SRT members to ensure that each stakeholder group is effectively managed. 	Luke Fletcher / Loggist	27/04/2018	
10	Incident Response Plan	<ul style="list-style-type: none"> Move unnecessary content from the main sections of the Plan into the appendix. Develop an extract workbook plan document from the existing Incident Response Plan. This action-orientated document should follow the chronology of incident response (confirm incident; develop response; implement response; review/stand down) and can be used by the SRT/ TRT to assist the acute phase of the incident response. The existing Incident Response Plan should remain in place to provide supplementary guidance. Ask team members to review their role and responsibilities checklists to ensure that they provide sufficient content for secondary or tertiary role holders. 	<p>Luke Fletcher</p> <p>Luke Fletcher</p> <p>All SRT / TRT Members</p>	<p>27/04/2018</p> <p>31/08/2018</p> <p>27/05/2018</p>	<p>Consider developing team folder – As Finance / Procurement</p>
11	Resources	<ul style="list-style-type: none"> Set up a central information repository (e.g. a SharePoint site) for use by the SRT and TRT. This site should be owned and maintained by the Safety and Resilience Adviser. The site could contain the Incident Management Plan, appendix documents, Business Continuity Plans, the Incident Communication Plan (refer to 	Luke Fletcher (Liaise with ICT)	25/05/2018	

APPENDIX B – Post Exercise Action Plan

Post Exercise Action Plan					
#	Criteria	Recommendation	Who?	By When?	Comments
		8, above), instructions for initiating supporting resources, contact lists and so on.			

	CONFIDENTIAL
Paper title:	Data protection / gdpr update
Board/Committee:	Audit Committee
Date of meeting:	7 June 2018
Author:	James Stevenson, University Secretary
Executive sponsor:	James Stevenson, University Secretary
Purpose:	To update on compliance steps
Recommendation:	The committee is requested to note

Summary

As the committee is aware, the EU general data protection regulation and new Data Protection Act 2018 came into effect on 25th May 2018.

The gdpr compliance project board is addressing compliance in LSBU. Update reports are provided to each meeting of the audit committee.

Key steps taken in the compliance project include:

1. appointment of a permanent data protection officer, which is a more senior role to oversee compliance and advise the executive;
2. ongoing support from an experienced data consultant;
3. approval on 17th May 2018 by the Board Governors of a new data protection policy (which is put into practice by an accompanying standard);
4. review by the project board and executive of:
 - 4.1 LSBU's register of processing activities – this follows an audit of personal data processing activity throughout the university. For each activity, the legal basis for processing has been assessed and recorded. The register is a live document and will need to be updated regularly or when new personal data processing activity starts.

- 4.2 new data breach management processes – the ICO must be notified within 72 hours of serious breaches. Where a serious data breach occurs, the LSBU Emergency Response Team will be invoked (as the breach could be outside normal business hours and could have reputational implications for the university or place the university at risk of fine).
5. publication on the external website of the data protection policy, first tier privacy notices (enquirers, students and alumni), information on website privacy and use of cookies – see the following link: <http://www.lsbu.ac.uk/footer/data-protection>
6. publication on the staff intranet the employees' privacy notice.
7. in collaboration with the Marketing, Admissions & Communications team, risk assessment and agreed course of action to establish the legal basis for continued email and/or written communications to prospective applicants, current students and alumni.
8. ongoing internal communications and drop-in advice sessions have been arranged. In addition, the current data protection mandatory training module is being updated. Individual advice and guidance is given to business areas by the data protection officer as required.

Further priority work over the next weeks is as follows:

- publication of the 2nd tier privacy notices and statements;
- agreeing the process to handle requests to exercise data protection rights;
- updating data processing contracts;
- updating contracts at the request of suppliers/joint controllers;
- completing a data sharing agreement with the student union.

Over the next 6 months, the focus of the data protection officer is to move the work into business as usual. Key steps will include:

- roll-out of training modules – initial and ongoing;
- understand the impact of the new Data Protection Act 2018 and build into the plan;
- tailored workshops with schools and PSGs to aid compliance;
- plan for embedding Privacy by Design across the organisation (working with Procurement, IT, PMO);
- Data Protection input into project LEAP;
- review key ongoing data protection risks and incorporate into wider risk management framework.

- ongoing communications and awareness plan

Recommendation

The audit committee is requested to note the update.

An update will be reported to the next meeting of the audit committee in October 2018.

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	CONFIDENTIAL
Paper title:	Anti-Fraud Policy Review
Board/Committee	Audit Committee
Date of meeting:	7 June 2018
Author:	Natalie Ferer, Financial Controller
Executive/Operations sponsor:	Richard Flatman, Chief Financial Officer
Purpose:	To review the current Anti-Fraud Policy and Fraud Response Plan
Recommendation:	It is recommended that Audit Committee approve the current anti-fraud policy and fraud response plan and note the self-assessment check list

Executive Summary

The Anti-Fraud Policy and Fraud Response Plan

No changes to the existing policy and plan are recommended other than replacing reference to HEFCE with Office for Students (OfS). A copy of the policy and plan are attached.

Self-Assessment

The British Universities Finance Directors Group (BUFDG) have produced a 'self-assessment checklist' for Universities that can be used to strengthen institutional counter-fraud measures, help institutions think through their policies and preparedness, identify strengths and weaknesses, and identify where further steps can be taken. The checklist attached is the current version published by BUFDG and we have completed the self-assessment as of May 2018.

Recommendation

It is recommended that Audit Committee approve the current anti-fraud policy and fraud response plan and note the self-assessment check list.

Anti Fraud Policy

1. Introduction

The Anti Fraud Policy outlines LSBU's position on fraud and sets out responsibilities for its prevention and detection. The policy is intended to ensure that all cases of suspected fraud are promptly reported, investigated and dealt with as necessary, thereby safeguarding the finances and resources of the University and its subsidiaries.

It applies to all staff and students in all group companies.

2. Policy

LSBU does not tolerate fraud in any form. We aim to prosecute anyone who commits fraud against the University.

Consistent with our values and behavioral framework, the University requires all staff and students to act honestly, with integrity and to safeguard any University resources for which they are responsible at all times.

Holders of letters of delegated authority are formally responsible for ensuring that all staff are aware of the University's fraud reporting protocols and that all incidents of suspected theft, fraud, misuse of the University's assets or serious weaknesses in internal control are reported in accordance with the procedures set out in this document.

3. Definition of fraud

Fraud can be defined as the use of deception with the intention of:

- Gaining an advantage, personally and/or for family or friends
- Avoiding an obligation
- Causing a financial loss to the University or any subsidiary or associated company, including SBUEL.

Whilst not a definitive list, the main types of fraud are:

- The theft of cash, assets or any other property of the University by staff or students
- False accounting – dishonestly destroying, defacing, concealing or falsifying any account, record or document required for any accounting purpose, with a view to personal gain or gain for another, or with the intent to cause loss to the University or furnishing information which is or may be misleading, false or deceptive
- Deliberate claiming of expenses that were not incurred on University business, or the use of University Purchasing Cards for the same purpose

- Abuse of position – abusing authority and misusing University resources or information for personal gain or causing loss to the University
- Entering into unfavourable contracts or arrangements with suppliers in order to benefit personally from the relationship.
- Attempting to make payments to the University with a stolen or unauthorised credit/debit card.

4. Prevention of fraud

Fraud is costly, both in terms of reputational risk and financial loss, as well as time consuming to identify and investigate. Therefore minimising the risk of fraud is a key objective.

The University has established systems and procedures in place which incorporate effective and efficient internal financial controls. One of the main objectives of these controls is to minimise the risk of fraud and allow fraud to be detected promptly. These systems and processes are embodied in the Financial Regulations, and it is therefore important that all staff are aware of, and follow, the Financial Regulations.

All staff should be vigilant and consider the risk of fraud within their areas. Staff should notify their line manager if they believe an opportunity for fraud exists because of poor procedures or lack of effective supervision. The Finance Department can provide guidance where procedures need to be improved.

Managers should be aware that certain patterns of behaviour may indicate a desire for concealment. These include, but are not limited to:

- Taking few holidays
- Resistance to delegation
- Resentment to normal discussion of work issues
- Frequently working alone late or at weekends

Managers should consider the risk of fraud when these patterns of behaviour are apparent in their staff.

5. Reporting a suspected fraud

Any member of staff who suspects with good cause that fraud has been committed must report the matter immediately to their line manager. The line manager should then immediately inform the relevant Dean/Head of Professional Function and the Chief Financial Officer.

LSBU has a Speak Up hot line which may be used by staff who, for any reason, wish to submit information outside of the management chain described above. This policy

can be viewed at <https://my.lsbu.ac.uk/assets/documents/regulations/speak-uppolicy.pdf>

All reported cases of suspected fraud will be investigated.

The internal and external auditors have their own procedures for reporting any incidences of suspected fraud that they discover during the course of their audit work.

6. Fraud Response plan

When an incidence of fraud is identified, there is an immediate need to safeguard assets, recover losses and secure evidence for legal and disciplinary processes. In order to meet these objectives, the University has a fraud response plan. Staff and students are required to act in accordance with the fraud response plan.

If a member of staff discovers or suspects a fraud, theft, corruption or other financial irregularity, they must immediately inform their Dean or Head of Professional Function and the Chief Financial Officer. Failure to do so will result in disciplinary action. The Chief Financial Officer will instigate the following responses:

- Take action to mitigate the potential loss to the University
- Immediately inform the Vice Chancellor, the University Secretary, the Head of Internal Audit and The University's Employee and Officers insurers.
- Initiate an investigation. The scope of this investigation should be agreed with the Vice Chancellor and the University Secretary.
- Decide whether or not to treat this incident as a criminal investigation and involve the police and/or accredited fraud investigators
- Take steps to prevent a recurrence of such an irregularity or breach of internal controls.

If it is suspected that a fraud may be significant:

- The chair of the Audit Committee, the Chair of the Board of Governors and the University's Accounting Officer should also be informed (The Accountability and Audit: OfS Code of Practice, which flows from the OfS Financial Memorandum, contains a mandatory requirement that any significant fraud must be reported to the OfS Accounting Officer)
- The Chair of Audit Committee will decide whether or not to convene an extraordinary meeting of Audit Committee to consider action already taken, or proposed to be taken.
- The CFO will liaise with the VC, Chair of Audit Committee and Head of Internal Auditors appropriate to determine the role of internal audit in the investigation.

A significant fraud is one where:

- The sums of money involved are significant
- The fraud involves senior officers of the University
- The particulars of the fraud or irregularity are novel, unusual or complex
- There is likely to be public interest because of the nature of the fraud or irregularity, or the people involved.

In the event of a suspected fraud involving Finance and Management Information (FMI), the Vice Chancellor will initiate action. The Chief Financial Officer will not be involved in the subsequent investigations.

In the event of a suspected fraud involving the Vice Chancellor, the Chief Financial Officer will inform the Chair of the Board of Governors directly.

Investigation of a suspected fraud

The investigation must be conducted on a timely basis, observing the principles of natural justice and preserving confidentiality.

All staff must cooperate in an investigation or action to mitigate loss and must observe reasonable expectations of confidentiality.

The Vice Chancellor may take action during the investigation against any member of staff who is potentially implicated in the suspected fraud. This action may include:

- Temporary suspension from duty
- Denial of access to University buildings and computer networks

Result of investigation

In the event that an allegation is substantiated, the action taken by the Vice Chancellor as a consequence will be recorded in writing. Such action should be proportionate to the allegation but may include:

- Temporary suspension from duty
- Denial of access to University buildings and computer networks
- Summary dismissal or dismissal under notice
- Notification of the police
- Notification of other parties likely to be affected
- Restitution by the perpetrator
- Other disciplinary procedures

HEI Fraud Self-Assessment Checklist

Name: Natalie Ferer Position: Financial Controller Date of completion: May 2018
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Question	Response and comments	Flag
1. Anti-fraud arrangements		
1.1. Do you have a formal fraud policy and/or fraud response plan, approved by the governing body? If so, how often are these updated?	Yes, reviewed and updated annually	
1.2. Do you undertake a formal fraud risk assessment? If so, how often is this done?	No formal separate fraud risk assessment although significant fraud risk would be covered by local operational risk assessment processes	
1.3. Does your university do business overseas? Does your fraud risk assessment include specific risks from international activity?	Yes. Further consideration required for specific risks for each new overseas activity	Y
1.4. Is there a nominated senior manager with overall responsibility for anti-fraud management arrangements? If so, what is their role/position?	Yes, Chief Financial Officer	
1.5. Do you have any staff trained in handling suspected frauds or running a fraud investigation?	Any investigations are led by the CFO and involve senior staff with experience. If significant, investigations involve specially trained forensic staff from our Internal Auditors.	
1.6. Is there a dedicated Counter-Fraud group in your institution? If so, does it include representatives from Finance, Registry, HR, Procurement, Estates, and Academia?	No such group exists in the organisation	Y

1.7. What specific actions do your internal auditors take to detect and prevent fraud?	The Internal Auditors endeavour to plan their work so that they have a reasonable expectation of detecting significant control weaknesses and, if detected, carry out additional work directed towards identification of consequent fraud or other irregularities. They cannot however guarantee that fraud will be detected.	
1.8. Do you have fraud insurance in place? How recently have you claimed on it? How much has it cost/saved?	Yes, no claims have been made. A claim against a payroll fraud was considered but the amount was only just above the deductible amount so no claim was made	
2. Internal Controls and Audit		
2.1 Does staff induction and training include guidance on fraud? Does it include: A whistleblowing policy, anti-bribery policy, money laundering policy, and code of conduct?	The Anti -Fraud Policy, Anti -Bribery Policy, Anti Money Laundering policy, LSBU values, Financial Regulations and whistleblowing policy are all available on the staff intranet. An update to the AML policy is being prepared to address the new Criminal Finance Act.	
2.2. Does internal management training cover fraud culture and policy awareness? Who is this aimed at and how often is the training run?	Mandatory training for staff is being developed and includes anti-bribery training. Other training will be considered and rolled out during 2018.	Y
2.3 Do you test the effectiveness of internal controls designed to prevent or detect fraud? If so, how?	Through management controls and the Internal Audit process	
2.4 Does your institution publish details of attempted or successful frauds internally? Either as a deterrent or for awareness-raising?	To Finance team and Audit committee	
2.5 What work do your external auditors undertake in accordance with ISA 240? How is this work reported?	Included in 2018 external audit plan any findings will be in the Audit Finding Report in November	
2.6 Does your institution have designated "counter-fraud champions" (CFCs) registered to access the BUFDG fraud discussion boards and CFC network?	Not at present. This will be considered and rolled out during 2018.	Y

2.7 Are fraud assurance and controls embedded within University change programmes?	Not specifically covered but will be addressed through training and as part of the routine internal audit programme.	
2.8 How is this work reported by the auditors?	Direct with management and to audit committee	
2.9 Are all cases of fraud reported to the audit committee or just those classed as Serious Incidents?	All cases	
2.10 Does this inform the committee's annual opinion on internal control?	yes	
3. Assessment and experience of financial fraud		
3.1 Is your current assessment that fraud is a low, medium or high risk? Is this an overall assessment? There could be variability of risk rating across different areas.	Overall assessment is low risk, with higher risk in some areas such as overseas operations and supplier transactions	
Do you believe that there is an effective anti-fraud culture in your organisation, with high levels of fraud risk awareness amongst all staff?	More should be done to raise fraud risk awareness through training and is addressed in 2.2 above	Y
3.2 In the last two financial years have you notified any frauds to your funding council / regulator?	Non above the reporting threshold to report.	
3.3 In the last two financial years, how many frauds or suspected frauds have you experienced that were below the regulator's reporting threshold?	one fraud below the threshold occurred in the payroll department whereby fraudsters were able to instruct the team to change bank accounts of four members of staff, resulting in £14k of pay being paid into the fraudsters bank accounts. £k of this money has since been recovered	
3.4 If you have trained fraud-response staff (Q1.5), are there any recent instances of these staff being deployed in an investigative capacity?	See response to 1.5	

3.5 Have you disciplined, dismissed or, with the relevant authorities, prosecuted any members of staff for fraud in the period?	No	
3.6 Have you involved the police in any action to deal with suspected or actual fraud in the period?	No	
3.7 Have you reported any frauds, successful or attempted, to the fraud alert service (the BUFDG Fraud discussion boards?)	No	
3.8 How would you summarise your experience of working with the police?	No experience in the past 2 years.	
3.9 Do you have grounds to suspect that there have been any other attempts to defraud the University either by staff or by outside organisations such as suppliers in the period?	Yes. The university regularly received phishing emails and correspondence purporting to be from suppliers that could be part of an attempted fraud. Our internal procedures have prevented a fraud from materialising other than the one incident in the payroll department described in 3.3 above	Y

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	CONFIDENTIAL
Paper title:	Anti – Fraud, bribery and corruption report
Board/Committee	Audit Committee
Date of meeting:	7 June 2018
Author:	Natalie Ferer, Financial Controller
Executive/Operations sponsor:	Richard Flatman, Chief Financial Officer
Purpose:	To alert Audit Committee to any instances of fraud, bribery or corruption arising in the period since the committee last met
Recommendation:	The Committee is requested to note the report.

Summary

Since the last report there is nothing to report

Recommendation:

The Committee is requested to note this report

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	CONFIDENTIAL
Paper title:	Transparent Approach to Costing – TRAC(T) Sign off
Board/Committee	Audit Committee
Date of meeting:	7 June 2018
Author:	David Kotula, Reporting Analyst
Executive/Operations sponsor:	Richard Flatman, Chief Financial Officer
Purpose:	To ratify
Recommendation:	This is a sub-analysis of the TRAC return for 2016/17 that has already been approved by Audit committee. The Executive recommends, based on the assurances provided herein, that the committee retrospectively approves the attached return which was made to HEFCE on 4 th May 2018.

Executive Summary

The Transparent Approach to Costing (Teaching) return - TRAC(T), is a sub-analysis of the Transparent Approach to Costing (TRAC) return and has been made annually since 2007.

TRAC (T) has three main aims:

- to enable higher education institutions (HEIs) to understand their own costs better, so that they can use cost information for planning, decision-making and management;
- to inform HEFCE's allocation of funds for teaching;
- to assist in understanding the total costs of sustainable teaching.

A reconciliation of the total costs in TRAC(T) to the figures published in the TRAC return is shown in table A – Source Data (see Appendix 1). LSBU is benchmarked against a group of universities with similar levels of income from Teaching. For this purpose we are included in Peer Group E. (see Appendix 2). The return analyses the costs of HEFCE fundable teaching into HESA cost centres and then divides this cost by the total student numbers in each of those cost centres as reported in the HESA

return to give *Subject-FACTS* for each of the current HESA cost centres (Full Average Annual Subject-related Cost of Teaching a HEFCE-fundable FTE student in a HESA academic cost centre). This output forms table B of the return (see Appendix 1).

The outcome of the benchmarking exercise was that LSBU has a mean Subject-FACT of £9,159 that is in line with our peer group mean of £9,175. Comparative figures for 2015/16 were £8,982 for LSBU compared to the peer group mean of £8,762. Our 2.0% increase for 2016/17 is due to a 3.5% increase in applicable costs, offset partially by a 1.5% increase in student FTE's.

The draft benchmark figures (Appendix 3) have been reviewed and we are satisfied that we have complied in full with the requirements.

The report was signed off and has been submitted to HEFCE. We have had confirmation from HEFCE that the return relating to TRAC(T) has been received and no detailed issues have been raised following submission.

Assurances regarding process

The following assurances are provided to Committee with regard to process:

1. Reconciliation to accounts
 - The TRAC(T) return is an annual return based on the teaching element of the TRAC annual return. The basis for the 2016/17 return was the financial accounts for year ending 31/07/2017.
 - The financial information used is a sub-set of the TRAC return. All costs that do not relate to publicly funded teaching are extracted. This information includes costs down to individual staff level for teaching staff and to cost centre level for school support staff. The individual staff costs are extracted from establishment data used in the budgeting process. All figures are reconcilable back to the published accounts and the 2016/17 TRAC return.
2. Compliance with guidelines/regulations
 - The return has been prepared by the University's Reporting Analyst in accordance with the regulations set down by HEFCE for the preparation of the TRAC(T) return. This includes any updated regulations or issues raised at TRAC self-help groups organised by the TRAC Development Group and BUFDG.

- The report has been shared with Schools and input received as appropriate.
- A draft report was issued to HEFCE at the end of February. This was followed by a benchmarking exercise with our peer group. This exercise allows for adjustments to be made prior to the final report sign off. The final report was then issued to HEFCE.
- The core costing information is based on the amount of time spent teaching for each academic member of staff. This is derived from a Workload Planning Tool. The results have been reviewed and verified by school managers to allow for any adjustments to be made prior to using the data in the TRAC return.
- The TRAC(T) requirement is for all costs to be allocated based on the relevant HESA Cost centres. Staff HESA cost centres are derived from a report collated by the HR department and then reviewed by school managers at a division level.
- Non-Staff costs are derived from the TRAC return that is sourced from the Agresso finance system at a cost centre level. HESA cost centres are applied on a department level.
- The robustness and accuracy of the data is verified during a reconciliation process by a suitably qualified colleague.
- Our data return sign-off protocols have been complied with, including review and approval by the Data Steward and the Head of Planning, Performance and Assurance before signature by the Vice Chancellor.
- A member of the Audit Committee has reviewed the TRAC process.

The committee is requested to retrospectively approve the attached return made to HEFCE on 4th May 2018.

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TRAC(T) 2016-17

Sign-off sheet

Institution: London South Bank University UKPRN: 10004078
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This sign-off sheet should be completed by the accountable officer and not by the individual responsible for completing the return.

With reference to the TRAC(T) data submitted to HEFCE on:

28/02/2018 18:34

I confirm that the data held by the funding councils and the Office for Students (OfS)¹ for this institution are correct.

I understand that this data may be used by the funding councils and OfS to inform their teaching funding methods.

Signed:



Name:

Prof. David Phoenix (type name into cell B19)

Job title:

Vice Chancellor and Chief Executive (type job title into cell B22)

Date (dd/mm/yyyy):

3/5/18

The name and job title of the accountable officer who will be signing this return must be entered into cells B19 and B22 before the return is uploaded to the HEFCE extranet (secure area of the HEFCE website). Please then print out, sign and date the sign-off sheet, and then scan and upload this document to the funding councils/OfS via the HEFCE/OfS extranet no later than **Friday 20th April 2018**. The funding councils/OfS do not require a paper copy.

¹Under the Higher Education & Research Act 2017, HEFCE will cease to operate on 31 March 2018. On 1 April 2018, the majority of HEFCE's functions, combined with the work of the Office of Fair Access, will combine to form the Office for Students.

This workbook contains two sections: A and B (in 2 worksheets)
 A provides source data for Subject-FACTs
 B is the calculation of Subject-FACTs

Sections A and B are mandatory (part of the TRAC requirements).

Institution: London South Bank University
 UKPRN: 10004078

A Source data MANDATORY

This section **should** be completed by all institutions.
 The purpose of this section is to provide a reconciliation to the figures returned under annual TRAC.

		£000		
Total expenditure (derived from audited financial statements)	142,636			per annual TRAC report
plus target surplus for sustainable operations	16,406			per annual TRAC report (EBITDA for MSI)
gives TRAC costs	159,042			per annual TRAC report
less Research	13,603			per annual TRAC report
Other	20,584			per annual TRAC report (Other income generating activity plus Other Non-commercial activity)
gives Teaching	124,855			per annual TRAC report
less NPFT	9,818	% of Teaching	7.9%	per annual TRAC report
non-Funding Council-fundable PFT	46,874		37.5%	
gives Funding Council-fundable PFT	68,163		54.6%	
less non-subject related funding proxy	7,340	% of Funding Council-fundable PFT	10.8%	per funding table (Annex 4.3c or Annex 4.3d) (note 1)
bursaries (note 2)	946		1.4%	actual costs and charges included in financial statements
total non-subject related	8,286		12.2%	
gives Subject-related costs of Funding Council-fundable provision	59,877			

Notes:

1. The funding proxy total should agree to the total costs of non-subject related areas where Funding Council funding is used as the proxy. This figure is provided at the bottom of the table in Annex 4.3c of the TRAC(T) guidance. The main exceptions to this are listed in Section 4.3.5.15 of the TRAC Guidance published in November 2017, (www.hefce.ac.uk/funding/finsustain/trac).

Please note that the figures in Annex 4.3c are displayed to the nearest £ and need to be divided by 1000 before entering in this table.
 Annex 4.3c for 2016-17 can be found on the HEFCE website (www.hefce.ac.uk/funding/finsustain/trac)
 Please give reasons for entering a different figure to that provided in Annex 4.3c in the "Validation" worksheet or on a separate word document if necessary.

2. The non-subject related bursaries figure comprises the actual costs or charges made to the financial statements for bursaries, hardship payments and scholarships of Funding Council-fundable taught students. Please note that any scholarships relating to research students or non-Funding Council-fundable students should not be included in this figure - those are research costs or non-Funding Council-fundable Teaching costs and should be deducted under the lines "less Research" or "less non-Funding Council-fundable PFT" or "less NPFT" in the table above. Also note that fee waivers should not be included in this figure - they should instead be netted off against income.

A.1 Cost recording methods MANDATORY

Do you believe that you have met all of the TRAC requirements (once your figures have been benchmarked and reviewed for reasonableness)?

Please select Yes or No from the drop-down list

To inform their teaching funding methods, the Funding Councils need representative data for the sector (covering all subject areas) on the costs of different subjects
 Do you believe that your TRAC(T) figures are fit for the purpose of informing the relevant Funding Councils' teaching funding methods?

Please select Yes or No from the drop-down list

Do you consider your figures to be robust at the level of department? (Robustness is defined as: meeting the TRAC requirements and recording academic time allocation data that are statistically robust at the level of department)

Please select Yes or No from the drop-down list

Do you produce a cost per student by department for use by institutional managers?

Please select Yes or No from the drop-down list

If you reporting that you recover more than 105% of your costs on PFT activity on your Annual TRAC return, have you assessed the impact of this on your Subject-FACTs?

Please select Yes, No or n/a from the drop-down list

Institution: London South Bank University
UKPRN: 10004078

B. Report to funding councils

MANDATORY

This section **should** be completed by all institutions.

The purpose of this section is to collect the information that may be used by the funding councils.

HESA academic cost centre		Price groups in use for 2016-17 reporting	Total subject-related costs of Funding Council-fundable provision (a) £000	Funding Council- fundable student FTEs from HESA (b) FTEs	Subject-FACTS (c)=[(a)/(b)]*1000 £
101	Clinical medicine	A	0	0.00	0
		B	0	0.00	0
		Total	0	0.00	0
102	Clinical dentistry	A	0	0.00	0
		B	0	0.00	0
		Total	0	0.00	0
103	Nursing and allied health professions Professional qualifications (Scottish institutions only)		1,530 0	155.25 0.00	9,853 0
		Total	1,530	155.25	9,853
104	Psychology and behavioural sciences		2,907	337.78	8,605
105	Health and community studies		0	0.00	0
106	Anatomy and physiology		0	0.00	0
107	Pharmacy and pharmacology		0	0.00	0
108	Sports science and leisure studies		900	94.40	9,533
109	Veterinary science	A	0	0.00	0
		B	0	0.00	0
		Total	0	0.00	0
110	Agriculture, forestry and food science		1,428	151.62	9,415
111	Earth, marine and environmental sciences		0	0.00	0
112	Biosciences		1,944	203.91	9,534
113	Chemistry		0	0.00	0
114	Physics		0	0.00	0
115	General engineering		3,582	391.06	9,159
116	Chemical engineering		2,409	254.11	9,480
117	Mineral, metallurgy and materials engineering		0	0.00	0
118	Civil engineering		2,545	271.27	9,381
119	Electrical, electronic and computer engineering		1,852	203.99	9,081
120	Mechanical, aero and production engineering		1,794	199.13	9,008
121	Information technology, systems sciences and computer software engineering		1,813	197.09	9,200
122	Mathematics		0	0.00	0
123	Architecture, built environment and planning		9,545	1,046.63	9,120
124	Geography and environmental studies		0	0.00	0
125	Area studies		0	0.00	0
126	Archaeology		0	0.00	0
127	Anthropology and development studies		0	0.00	0
128	Politics and international studies		0	0.00	0
129	Economics and econometrics		0	0.00	0
130	Law		3,231	353.32	9,145
131	Social work and social policy	C2	1,195	184.19	6,490
		D	44	6.82	6,414
		Total	1,239	191.01	6,487
132	Sociology		2,643	280.47	9,425
133	Business and management studies		10,419	1,151.26	9,050
134	Catering and hospitality management		0	0.00	0
135	Education	C2	0	0.00	0
		D	2,273	231.17	9,833
	Professional qualifications (Scottish institutions only)		0	0.00	0
		Total	2,273	231.17	9,833
136	Continuing education		0	0.00	0
137	Modern languages		0	0.00	0
138	English language and literature		0	0.00	0
139	History		0	0.00	0
140	Classics		0	0.00	0
141	Philosophy		0	0.00	0
142	Theology and religious studies		0	0.00	0
143	Art and design		3,673	382.49	9,603
144	Music, drama, dance and performing arts		2,675	287.12	9,318
145	Media studies		1,475	154.26	9,561
Total in HESA academic cost centres			59,877	6,537.34	9,159
999	Cost centre not assignable			0.00	
Total			59,877	6,537.34	9,159

Institution: London South Bank University UKPRN: 10004078
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TRAC(T) 2016-17 Validation report

Your workbook has passed all validation checks

Please ensure that your return shows "Validation passed" for checks 1 to 7 before submitting your workbook to HEFCE.

1. The name and job title of the Head of institution or accountable officer who will be signing this return should be entered on the "Sign-off" worksheet.

Validation passed

2. Total subject-related costs of Funding Council-fundable provision in Section A should equal those returned in Section B.

Validation passed

3. The cost of bursaries should be completed in Section A. If you have a genuine reason for having no bursary costs please provide commentary in the box below.

Validation passed

Comments box on no bursary costs.

4. Section A.1 is mandatory and should be completed.

Validation passed

5. Funding proxy figures provided in Section A should agree to the total provided in Annex 4.3c (England and NI)/Annex 4.3d (Scotland). If you have a genuine reason for altering the income proxy figure used (eg. institutions with collaborative awards) please provide commentary on this in the box below.

Validation passed

Comments box on funding proxy differences.

6. Section B should not be showing cost centre(s) with costs but no students, or students but no costs. If it is, please amend or provide commentary on this in the box below.

Validation passed

Comments box on cost centre(s) with costs but no students, or students but no costs.

7. In Section B, the Subject-FACTS for all cost centres should not be the same.

Validation passed

Validation checks 8 to 13 will be carried out on submission of data to HEFCE. Please check your results package to ensure your data has passed these additional checks.

8. Total expenditure reported in Section A should equal total expenditure returned through the annual TRAC return in January 2018.

Validation passed

9. Target surplus for sustainable operations (EBITDA for MSI) reported in Section A should equal the target surplus for sustainable operations returned through the annual TRAC return in January 2018.

Validation passed

10. Research costs reported in Section A should equal Research costs returned through the annual TRAC return in January 2018.

Validation passed

11. Other costs reported in Section A should equal Other costs returned through the annual TRAC return in January 2018.

Validation passed

12. NPFT costs reported in Section A should equal NPFT costs returned through the annual TRAC return in January 2018.

Validation passed

13. The cost of bursaries reported in section A should be less than or equal to the cost of bursaries returned in Table 8 of the HESA Finance Record in December 2017.

Validation passed

If you have uncovered errors in your 2016-17 annual TRAC return data submitted to HEFCE at the end of January 2018 please contact Emma Allum (e-mail: e.allum@hefce.ac.uk, tel: 0117 931 7259).

Institution: London South Bank University UKPRN: 10004078
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Notes:

1. Where students in one cost centre are funded across a number of price groups, please enter costs against the relevant price groups where possible. If this is not possible, enter figures in the Total line for that cost centre (over-riding the formula that is in the 'Total' cell).
2. The total costs in column (a) should agree with the total subject-related costs of Funding Council-fundable provision at the bottom of Section A.
3. The student FTEs in column (b) are defined in section 4.3.5.6 of the TRAC Guidance published in November 2017, (<http://www.hefce.ac.uk/funding/finsustain/trac/>). These are Funding Council-fundable student FTEs, excluding sandwich year-out students. If you require further information on how these FTEs have been derived you should refer to the document "Useful links and information about the HEFCE data checking tool" which can be found on the HEFCE website <http://www.hefce.ac.uk/funding/finsustain/trac/use/> under the heading 'The HEFCE extranet facility'.
4. Institutions in Scotland may overwrite the FTEs in this table if they believe they are inaccurate. Total student numbers should remain the same. An explanation of changes made should be provided in the box below or alternatively in an accompanying word document.

Please use the box below, or a separate word document if you want to make commentary on the data above e.g. if you know reasons why any of the figures may be an outlier.

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Please type directly into this comment box, rather than copying and pasting text. Pasting text may cause errors when you upload your return.

TRAC (T) 2016-17: summary

Peer Groups for annual TRAC, TRAC fEC and TRAC(T)¹ benchmarking 2016-17

UKPRN	Institution	Peer group
10000571	Bath Spa University	E
10007152	University of Bedfordshire	E
10000712	University College Birmingham	E
10007811	Bishop Grosseteste University	E
10006841	The University of Bolton	E
10000824	Bournemouth University	E
10000975	Buckinghamshire New University	E
10001143	Canterbury Christ Church University	E
10007848	University of Chester	E
10007137	The University of Chichester	E
10007842	The University of Cumbria	E
10007851	University of Derby	E
10007823	Edge Hill University	E
10007145	University of Gloucestershire	E
10040812	Harper Adams University	E
10003863	Leeds Trinity University	E
10003956	Liverpool Hope University	E
10007797	University of London	E
10007769	London Business School	E
10004048	London Metropolitan University	E
10004078	London South Bank University	E
10007832	Newman University	E
10007138	The University of Northampton	E
10000936	University College of Osteopathy (The)	E
10007776	Roehampton University	E
10005545	The Royal Agricultural University	E
10006022	Solent University	E
10037449	University of St Mark & St John	E
10007843	St Mary's University, Twickenham	E
10006299	Staffordshire University	E
10014001	University of Suffolk	E
10007159	University of Sunderland	E
10007161	Teesside University	E
10006566	The University of West London	E
10003614	University of Winchester	E
10007139	University of Worcester	E
10007657	Writtle University College	E
10007713	York St John University	E
10007114	University of the Highlands and Islands	E
10007800	University of the West of Scotland	E
10007854	Cardiff Metropolitan University	E
10008574	University of Wales	E
10007858	University of Wales Trinity Saint David	E
10007833	Wrexham Glyndŵr University	E

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Institution: London South Bank University
 UKPRN: 10004078
 Peer group: E
 Date produced: 18/04/2018

Number of respondents

Peer group E
37

Sector
147

B. Subject-related Full Average Costs of Teaching a Student (Subject-FACTS) (£ per student)

HESA academic cost centre	Price groups currently in use	Institution		Peer group E						Sector						
		FC-fundable student FTEs	Subject-FACTS	Average (mean) FTE of FC-fundable students			Subject-FACTS			Average (mean) FTE of FC-fundable students			Subject-FACTS			
				Number of HEIs	Mean	1st Quartile	Median value	3rd Quartile	Number of HEIs	Mean	1st Quartile	Median value	3rd Quartile			
101	Clinical medicine	A	0.00	0	0						21	597	18,102	14,123	17,811	20,739
101	Clinical medicine	B	0.00	0	0						23	439	11,721	11,169	12,899	17,204
101	Clinical medicine	Total	0.00	0	0						40	877	15,584	13,414	16,463	18,059
102	Clinical dentistry	A	0.00	0	0						12	236	19,786	17,710	18,804	23,524
102	Clinical dentistry	B	0.00	0	1						11	59	16,166	12,482	16,450	19,361
102	Clinical dentistry	Total	0.00	0	1						17	284	20,106	16,653	18,687	22,358
103	Nursing and allied health professions	C2	155.25	9,853	21	244	9,142	8,163	8,605	9,853	70	237	8,935	8,084	9,103	10,526
103	Nursing and allied health professions	ProfQ ¹	0.00	0	1						8	986	6,624	5,462	7,391	7,786
103	Nursing and allied health professions	Total	155.25	9,853	21	338	8,736	8,108	8,605	9,853	73	356	8,179	7,828	9,102	10,409
104	Psychology and behavioural sciences	C2	337.78	8,605	30	383	8,574	7,200	8,593	9,647	108	505	8,264	7,339	8,279	9,210
105	Health and community studies	C2	0.00	0	23	241	8,079	6,598	7,651	9,777	54	229	8,549	7,167	9,088	11,120
106	Anatomy and physiology	B	0.00	0	4						30	282	10,442	8,689	10,219	11,535
107	Pharmacy and pharmacology	B	0.00	0	3						40	364	10,634	9,457	10,622	11,449
108	Sports science and leisure studies	C2	94.40	9,533	32	433	8,718	7,570	8,889	9,691	66	480	8,564	7,540	8,902	9,582
109	Veterinary science	A	0.00	0	0						4					
109	Veterinary science	B	0.00	0	0						7	165	17,374	6,938	14,791	26,174
109	Veterinary science	Total	0.00	0	0						10	493	20,658	15,186	18,829	26,709
110	Agriculture, forestry and food science	B	151.62	9,415	7	454	11,495	11,221	11,632	12,135	22	298	10,902	9,675	10,385	11,632
111	Earth, marine and environmental sciences	B	0.00	0	10	113	9,853	8,931	9,924	10,430	58	233	11,010	9,098	10,402	12,248
112	Biosciences	B	203.91	9,534	24	290	9,861	9,264	10,447	12,155	104	669	9,924	9,016	10,052	11,025
113	Chemistry	B	0.00	0	5	147	10,126	8,895	9,795	9,835	57	303	11,056	9,723	10,475	12,100
114	Physics	B	0.00	0	2						46	337	10,517	9,312	10,431	11,989
115	General engineering	B	391.06	9,159	6	257	10,328	9,159	10,038	10,408	35	347	10,811	9,255	10,423	11,743
116	Chemical engineering	B	254.11	9,480	3						21	299	9,298	9,160	9,480	10,893
117	Mineral, metallurgy and materials engineering	B	0.00	0	3						16	179	12,156	10,153	11,845	14,402
118	Civil engineering	B	271.27	9,381	6	155	9,244	9,166	9,946	10,916	47	223	10,573	9,457	10,512	11,781
119	Electrical, electronic and computer engineering	B	203.99	9,081	11	230	9,915	9,081	10,488	11,415	69	263	10,453	9,649	10,948	11,856
120	Mechanical, aero and production engineering	B	199.13	9,008	8	282	10,899	8,998	11,491	12,551	59	488	10,604	9,406	10,443	11,856
121	Information technology, systems sciences and computer software	C1	197.09	9,200	24	423	9,683	8,631	9,495	10,184	102	499	9,320	8,357	9,220	10,331
122	Mathematics	C2	0.00	0	8	71	9,837	9,193	10,448	11,641	73	395	8,335	7,280	8,665	9,722
123	Architecture, built environment and planning	C2	1,046.63	9,120	9	257	9,168	9,028	9,119	9,607	62	437	10,029	9,035	9,893	11,193
124	Geography and environmental studies	C2	0.00	0	14	92	10,445	9,286	10,319	12,132	61	266	9,255	8,608	9,389	10,605
125	Area studies	D	0.00	0	0						11	153	9,611	7,763	8,632	14,136
126	Archaeology	C1	0.00	0	6	87	9,606	8,723	9,723	10,695	29	103	9,493	7,856	9,593	10,695
127	Anthropology and development studies	D	0.00	0	1						20	167	9,256	7,768	8,683	10,702
128	Politics and international studies	D	0.00	0	8	127	7,943	7,789	8,471	9,552	75	347	7,558	6,708	7,569	8,364
129	Economics and econometrics	D	0.00	0	5	33	7,710	6,298	7,988	8,640	61	360	7,785	6,889	7,744	8,407
130	Law	D	353.32	9,145	24	262	8,691	7,906	8,486	9,256	97	529	7,888	6,923	7,815	8,851
131	Social work and social policy	C2	184.19	6,490	13	131	9,072	6,751	8,906	10,068	41	149	9,406	8,096	9,689	10,801
131	Social work and social policy	D	6.82	6,414	9	210	7,676	7,468	8,578	9,906	45	210	7,398	6,556	7,765	8,864
131	Social work and social policy	Total	191.01	6,487	21	303	8,142	7,767	8,597	9,405	79	281	8,194	6,999	8,481	9,777
132	Sociology	D	280.47	9,425	25	220	8,148	7,444	8,285	9,447	92	310	7,965	7,069	7,874	9,074
133	Business and management studies	D	1,151.26	9,050	33	775	8,225	8,037	8,566	9,330	118	1,130	8,106	7,289	8,282	9,330
134	Catering and hospitality management	C2	0.00	0	6	468	10,475	8,147	10,002	11,216	21	307	9,166	7,488	9,196	9,890
135	Education	C2	0.00	0	11	156	8,650	7,121	8,064	13,615	27	166	7,736	6,667	7,992	11,550
135	Education	D	231.17	9,833	23	469	9,062	7,347	8,212	9,833	62	392	9,344	7,671	8,794	10,335
135	Education	ProfQ ¹	0.00	0	1						7	651	6,616	6,011	6,692	7,349
135	Education	Total	231.17	9,833	30	545	8,681	7,345	8,251	9,434	90	481	8,801	7,573	8,739	10,259
136	Continuing education	D	0.00	0	2						15	113	8,525	6,302	7,593	12,243
137	Modern languages	C2	0.00	0	10	88	10,975	9,032	10,495	11,971	76	354	9,084	7,854	9,056	10,890
138	English language and literature	D	0.00	0	27	211	8,994	8,223	8,792	10,358	99	366	8,424	7,683	8,522	9,304
139	History	D	0.00	0	22	145	8,393	7,594	8,538	10,005	90	347	7,913	7,013	8,079	9,299
140	Classics	D	0.00	0	1						21	198	8,760	7,284	7,972	9,141
141	Philosophy	D	0.00	0	5	47	8,092	6,689	8,800	11,430	48	170	7,782	6,940	7,920	9,167
142	Theology and religious studies	D	0.00	0	14	97	9,668	8,428	9,153	11,005	36	105	8,840	7,627	8,588	10,587
143	Art and design	C1	382.49	9,603	24	444	10,826	9,143	10,183	11,878	85	812	10,585	9,095	10,065	11,918
144	Music, drama, dance and performing arts	C1	287.12	9,318	28	306	9,990	8,708	10,076	10,583	105	358	10,784	9,048	10,209	11,529
145	Media studies	C1	154.26	9,561	27	399	9,411	8,802	9,679	10,651	88	452	9,605	8,298	9,640	10,646

¹ Professional qualifications (Scottish institutions only)

TRAC (T) 2016-17: summary

Institution: London South Bank University

UKPRN: 10004078

Peer group: E

Date produced: 18/04/2018

Number of respondents

B. Subject-related Full Average Costs of Teaching a Student (Subject-FACTS) (

		Price groups currently in use
HESA academic cost centre		
101	Clinical medicine	A
101	Clinical medicine	B
101	Clinical medicine	Total
102	Clinical dentistry	A
102	Clinical dentistry	B
102	Clinical dentistry	Total
103	Nursing and allied health professions	C2
103	Nursing and allied health professions	ProQ ¹
103	Nursing and allied health professions	Total
104	Psychology and behavioural sciences	C2
105	Health and community studies	C2
106	Anatomy and physiology	B
107	Pharmacy and pharmacology	B
108	Sports science and leisure studies	C2
109	Veterinary science	A
109	Veterinary science	B
109	Veterinary science	Total
110	Agriculture, forestry and food science	B
111	Earth, marine and environmental sciences	B
112	Biosciences	B
113	Chemistry	B
114	Physics	B
115	General engineering	B
116	Chemical engineering	B
117	Mineral, metallurgy and materials engineering	B
118	Civil engineering	B
119	Electrical, electronic and computer engineering	B
120	Mechanical, aero and production engineering	B
121	Information technology, systems sciences and computer software	C1
122	Mathematics	C2
123	Architecture, built environment and planning	C2
124	Geography and environmental studies	C2
125	Area studies	D
126	Archaeology	C1
127	Anthropology and development studies	D
128	Politics and international studies	D
129	Economics and econometrics	D
130	Law	D
131	Social work and social policy	C2
131	Social work and social policy	D
131	Social work and social policy	Total
132	Sociology	D
133	Business and management studies	D
134	Catering and hospitality management	C2
135	Education	C2
135	Education	D
135	Education	ProQ ¹
135	Education	Total
136	Continuing education	D
137	Modern languages	C2
138	English language and literature	D
139	History	D
140	Classics	D
141	Philosophy	D
142	Theology and religious studies	D
143	Art and design	C1
144	Music, drama, dance and performing arts	C1
145	Media studies	C1

¹ Professional qualifications (Scottish institutions only)

	CONFIDENTIAL
Paper title:	Speak up report
Board/Committee:	Audit Committee
Date of meeting:	7 June 2018
Author:	Michael Broadway
Sponsor:	James Stevenson
Purpose:	For information
Recommendation:	The Committee is requested to note the report.

Executive Summary

SBUEL employment case: This case was raised on 17 July 2017, regarding unfairness between LSBU and SBUEL terms and conditions. The Pro Vice Chancellor (Research and External Engagement) and the Executive Director of Organisational Development and HR reviewed the staffing aspects of SBUEL and recommended a review of the SBUEL terms and conditions to develop a reward culture in the company. This recommendation was approved by the Executive. The Chair of Audit Committee reviewed their report and a response was sent to the complainant on 18 April 2018.

South Bank Academies (SBA): A speak up matter was received from a member of staff at the UTC, via the Safecall service, on 12 April 2018, in relation to bullying. In accordance with the SBA Speak Up policy, the matter has been referred to the SBA Interim CEO, in the first instance, and the matter is currently being investigated.

The matter was reported to SBA Audit Committee on 30 April 2018. An update will be brought to the next meetings of both SBA and LSBU Audit Committees.

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	STRICTLY CONFIDENTIAL
Paper title:	Committee business plan, 2017/18
Board/Committee	Audit Committee
Date of meeting:	7 June 2018
Author:	Joe Kelly, Governance Officer
Board sponsor:	Steve Balmont, Chair of the Committee
Purpose:	To inform the committee of its annual business plan
Recommendation:	The committee is requested to review its annual business plan.

Audit Committee Business Plan

The Audit Committee business plan is based on the model work plan for audit committees developed by the CUC. It is intended to help the committee review the adequacy and effectiveness of risk management, control and governance (including ensuring the probity of the financial statements) and for the economy, efficiency and effectiveness of LSBU's activities delegated to it from the Board.

The Audit Committee is requested to review its annual business plan.

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Audit committee business plan, 2017/18

Agenda Item	Consider By	Date	Decision By	Date	Lead Officer
7 June 2018					
Corporate risk register			Audit Committee	7 Jun 2018	Richard Flatman
TRAC return to HEFCE			Audit Committee	7 Jun 2018	Richard Flatman
Speak up report			Audit Committee	7 Jun 2018	James Stevenson
Internal audit progress report	Executive	23 May 2018	Audit Committee	7 Jun 2018	Richard Flatman
Internal audit plan	Executive	23 May 2018	Audit Committee	7 Jun 2018	Michael Broadway
External audit plan	Executive	23 May 2018	Audit Committee	7 Jun 2018	Richard Flatman
Audit Committee business plan			Audit Committee	7 Jun 2018	Michael Broadway
Anti-fraud, bribery and corruption report	Executive	27 Jun 2018	Audit Committee	7 Jun 2018	Richard Flatman
Anti-fraud policy review			Audit Committee	7 Jun 2018	Michael Broadway

Agenda Item	Consider By	Date	Decision By	Date	Lead Officer
Annual debt write off			Audit Committee	7 Jun 2018	Richard Flatman
Non-regular items					