



**Minutes of the meeting of the Audit Committee
held at 4.00 pm on Tuesday, 7 February 2017
1A01 Board Room - Technopark, SE1 6LN**

Present

Steve Balmont (Chair)
Mee Ling Ng
Roy Waight

Apologies

Shachi Blakemore
Natalie Ferer

In attendance

David Phoenix
Richard Flatman
James Stevenson
Michael Broadway
Lucy Gresswell
Justin Martin

1. Welcome and apologies

The Chair welcomed members to the meeting.

The above apologies had been received.

2. Declarations of interest

No interests were declared on any item on the agenda.

3. Minutes of the previous meeting

The committee approved the minutes of the meeting of 10 November 2016 subject to a minor alteration to minute 25 and their publication.

4. Matters arising

The committee received an update on whether an internal audit service five yearly review was required. It was agreed that a formal five yearly review was not required. The performance of the internal auditors was reviewed against key performance indicators annually.

The committee noted that following the submission of the Prevent annual report HEFCE had written to the university to confirm the University's compliance with the Prevent duty.

The committee noted that the university's UKVI licence for 2017 had been renewed without the need for an audit.

5. Appointment of external auditors

The committee discussed the recommendation to appoint KPMG as external auditors following a competitive recruitment exercise. Members of the audit committee had been involved in the selection process and the chair of the committee chaired the selection panel.

The committee recommended the appointment of KPMG as external auditors to the Board for approval.

The contract would be for five years with options to extend by a further two one year periods. KPMG would audit the 2016/17 year end accounts and would receive appropriate handover from the current auditors, Grant Thornton.

The committee discussed the procurement framework used to select auditors and requested that this is reviewed.

6. Internal audit progress report

Shân Wareing joined the meeting

The committee noted a progress report on internal audit. It was noted that the internal auditors were 60% through their plan for the year.

The internal audit partner reported that the control environment was stable and implementation rate was good (at 77%). There were no concerns to report.

The committee noted updates on the financial health of the sector and key risks in the sector. The university's financial position and corporate risk register were in line with the sector.

7. Student data continuous audit

The committee noted the continuous auditing report for student data for period 1, 2016/17. The risk rating was medium.

The increase in exceptions was largely due to housekeeping issues. There are currently a number of manual controls which are being automated.

As part of the internal audit plan the internal auditors would audit student data again and report to the committee meeting of 8 June 2017.

8. Internal audit report - placements

The committee noted the internal audit report on placements which was rated as medium risk.

The main risks from the report were around health and safety and duty of care to students on placements. The report highlighted inconsistency of placement delivery across the schools.

The committee noted the management response to address the issues from the report and requested an update to its meeting of 8 June 2017.

9. Internal audit report - HEFCE assurance review readiness management letter

The committee noted the internal audit report on readiness for the HEFCE five year review. The HEFCE visit had taken place on 26 January 2017. The final report would be circulated to governors.

Shân Wareing left the meeting

10. Corporate risk register

The committee noted the corporate risk register. Risks around income generation were consistently high risks. The risk on placements was rated as medium risk which was in line with the internal audit report.

The committee discussed whether it should review a “group” risk register covering new entities if they join the LSBU group. The executive would consider and bring a recommendation back to the committee.

The committee noted the challenges in providing controls for risks which were outside the university’s control.

11. Finance and Management Information (FMI) structure and leadership team

The committee welcomed an update on the structure of FMI and its leadership team.

FMI is divided into: financial control; financial planning and registry; planning, performance and assurance; fees and bursaries; procurement services; and FMI systems.

12. TRAC return

The committee discussed the TRAC return which had been submitted to HEFCE. The committee noted that the data had met all the validations tests.

The committee requested that the return is reviewed by Shachi Blakemore, independent governor and member of the audit committee, ahead of ratification by the committee.

13. Anti-fraud, bribery and corruption report

The committee noted the report. No issues had arisen since the last Audit Committee meeting.

14. Speak up report

The committee noted the Speak Up report. The two speak up matters previously reported on the halls of residence restructure had been closed and no evidence of unfairness by management was found in either case.

Two additional speak up matters had been raised in January 2017. One was an internal matter and would be investigated. The other was an external matter relating to a member of staff. It had been agreed with the chair of the committee that it was primarily a matter for the relevant professional body and if, if necessary, the police. An update would be provided at the next meeting.

15. Anti-money laundering regulations

The committee noted an update on anti-money laundering regulations. The guidance would form part of the financial regulations.

16. Audit Committee business plan

The committee noted its business plan.

17. Audit Committee self-assessment

The committee noted that it would undertake a light touch self assessment of its effectiveness using KPMG's audit committee institute's self assessment guide as a basis for the review.

18. Matters to report to the Board following the meeting

The committee requested that updates on external audit appointment, internal audit reports, risk, HEFCE assurance and TRAC return submission are reported to the Board meeting of 16 March 2017.

**Date of next meeting
4.00 pm, on Thursday, 8 June 2017**

Confirmed as a true record

..... (Chair)

