

Minutes of a Meeting of the Audit Committee
held at 4pm on Thursday, 4 June 2015
in room 1B27, Technopark, London Road, London, SE1

Present

Andrew Owen	Chairman
Steve Balmont	
Douglas Denham St Pinnock	
Mee Ling Ng	

External Auditors

David Barnes	Grant Thornton
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Internal Auditors

Charlotte Bilsland	PricewaterhouseCoopers
Justin Martin	PricewaterhouseCoopers

In attendance

Prof David Phoenix	Vice Chancellor and Chief Executive
Pat Bailey	Deputy Vice Chancellor
Natalie Ferer	Financial Controller
Richard Flatman	Chief Financial Officer
Jenny Laws	Deputy Registrar (<i>for item 14</i>)
Rob McGeechan	Director of Digital Technology Transformation (<i>for items 5-6</i>)
Ian Mehrtens	Chief Operating Officer (<i>for items 5-6</i>)
James Stevenson	University Secretary and Clerk to the Board of Governors
Ruth Sutton	Governance Assistant

Welcome and apologies

1. Apologies had been received from Shachi Blakemore and David Wildey of PricewaterhouseCoopers.

Declarations of Interest

2. Steve Balmont declared an interest in relation to the independent speak up helpline (minute 20 refers). Mr Balmont declared that Safecall was a subsidiary of his employer's parent company. The committee noted that he had not been involved in the procurement process.

Minutes of the last meeting

3. The minutes of the meeting held on 26 February 2015 were approved (paper **AC.14(15)**) subject to the proposed redactions.

Matters arising

4. The committee noted that following a tender process PricewaterhouseCoopers had been re-appointed as Internal Auditor.

Rob McGeechan and Ian Mehrtens entered the meeting

Data Security update report

5. The committee discussed an update on data security (paper **AC.15(15)**), which set out actions being taken to improve data security following an Internal Audit report. The committee noted that a dedicated Head of Information Security had now been appointed.
6. The committee requested the Executive to closely monitor data security and the implementation of internal audit recommendations in this area.

Rob McGeechan and Ian Mehrtens left the meeting

External audit plan

7. The committee approved the external audit plan proposed by Grant Thornton for the year ending 31 July 2015 (paper **AC.16(15)**).

Accounting policy under new SORP

8. The committee approved the changes in accounting policies and financial reporting for financial year 2015/16 under FRS102 and the new Statement of Recommended Practice (SORP) for the education sector (paper **AC.17(15)**).

Annual bad debt write-off

9. The committee approved the write-off of tuition fee debt of £690,093 (paper **AC.18(15)**).
10. The committee requested further analysis of the outstanding debtors and the underlying causes.

Indicative pensions assumptions

11. The CFO reported that he expected to receive indicative assumptions to be used by the Local Government Pension Scheme actuaries in mid-June 2015 (paper **AC.19(15)**). The assumptions would be circulated to committee members via email for comment.

Internal Audit progress report

12. The committee noted the internal audit progress report (paper **AC.20(15)**).

Internal Audit report – Financial continuous auditing report (Jan – Apr)

13. The committee noted the financial continuous auditing report (Jan – Apr) (paper **AC.21(15)**).

Internal Audit report – Student data continuous auditing report (Nov – Mar)

Jenny Laws entered the meeting

14. The committee welcomed the second internal audit report on student data continuous auditing (paper **AC.22(15)**), which had been given a medium risk rating. The Deputy Registrar confirmed the approach was constructive.

Jenny Laws left the meeting

Internal Audit plan, 2015/16

15. The committee discussed the internal audit plan for 2015/16 in detail (paper **AC.23(15)**). The Executive would consider additional changes and bring back the final plan for approval in September 2015.

Risk Register

16. The committee noted the corporate risk register (paper **AC.24(15)**).

Anti-fraud policy

17. The committee approved the revised anti-fraud policy (paper **AC.25(15)**) which reiterated the University's zero tolerance approach to fraud.

Anti-fraud, bribery and corruption report

18. The committee noted the anti-fraud, bribery and corruption report (paper **AC.26(15)**).

Speak up policy review and helpline

19. The committee approved the revised speak up policy (paper **AC.27(15)**) and the appointment of Safecall to provide an independent helpline for employees.
20. The committee requested a review of effectiveness of the helpline in 12 months and whether to extend it to students.

Speak up report

21. The committee noted the speak up report (paper **AC.28(15)**). There had been one speak up matter had been raised with the Chairman, which was referred to the grievance procedure.

Closure of Projects within the Change Programme

22. The committee noted the closure of several projects under the Change Programme.
23. The committee noted that where relevant there would be post project reviews for projects within the Change Programme.

TRAC(T) Return

24. The committee ratified the TRAC(T) return (paper **AC.30(15)**), which had been reviewed in detail by a member of the committee and submitted to HEFCE.

Matters to report to the Board

25. The committee requested that the following items be reported to the Board meeting of 9 July 2015: data security update report; accounting policy under new SORP; internal audit plan 2015/16; anti-fraud policy review; speak up policy review and helpline; and the closure of projects within the Change Programme.

Any Other Business

26. Post Investment Reviews

Following the Governance Effectiveness Review discussion at the meeting of the Board of Governors of 14 May 2015, the committee confirmed that post-investment reviews should be considered at the new Major Projects and Investments Committee from September 2015 onwards. Significant deviations from business case or concerns would be referred to the Audit Committee.

Date of next meeting

27. It was noted that the next meeting would be at 4pm on Thursday 24 September 2015.

The Chairman closed the meeting.

Confirmed as a true record:

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Chairman