Meeting of the Group Audit and Risk Committee

4.00 pm on Tuesday, 6 October 2020
via MS Teams

Agenda

No.	*Item*	*Pages*	*Presenter*
12.	Internal audit: estates capital programme	235 - 250	PI
13.	Internal audit: student data	251 - 276	RF
14.	Internal audit: family transition	277 - 288	DP

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LONDON SOUTH BANK UNIVERSITY

INTERNAL AUDIT REPORT – REVISED FINAL ARC VERSION

ESTATES CAPITAL PROGRAMME
SEPTEMBER 2020

LEVEL OF ASSURANCE	
Design	Operational Effectiveness
Moderate	Moderate

LONDON SOUTH BANK UNIVERSITY, ESTATES/ CAPITAL PROGRAMME

DISTRIBUTION	
Paul Ivey	Deputy Vice Chancellor / Chair of Project Boards
Carol Rose	Executive Director of Estates and Academic Environment
REPORT STATUS LIST	
Auditors:	Josh Mathias
Dates work performed:	5 June – 17 June 2020
Draft report issued:	16 July 2020
Final report issued:	14 August 2020 and 28 September 2020

# LONDON SOUTH BANK UNIVERSITY, ESTATES/ CAPITAL PROGRAMME

EXECUTIVE SUMMARY

LEVEL OF ASSURANCE: (SEE APPENDIX I FOR DEFINITIONS)

Design	■	Generally a sound system of internal control designed to achieve system objectives with some exceptions.
Effectiveness	■	Evidence of non compliance with some controls, that may put some of the system objectives at risk.

SUMMARY OF RECOMMENDATIONS: (SEE APPENDIX I)

High	▲	
Medium	■	1
Low	●	3
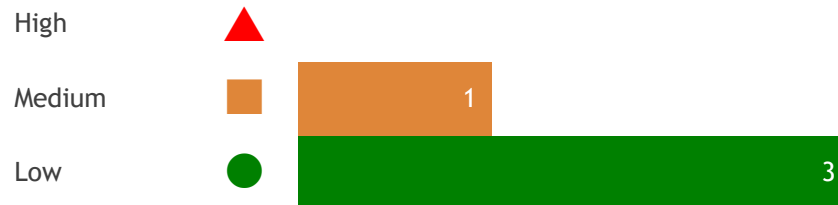
TOTAL NUMBER OF RECOMMENDATIONS: 4

BACKGROUND:

The LSBU Group has committed to a major programme of capital expenditure with regards to its estate which consists of over 20 buildings totalling 120,000m^2 in order to rationalise and develop its property portfolio to provide an optimum physical environment for academic activities.

In March 2018, the Board of Governors approved a high level Estates Plan and Priorities subject to the further review and approval of individual business cases. This included an investment of £65m capital expenditure over four financial years from March 2018 – March 2022 for a full refurbishment of the London Road Building and relocation of existing facilities elsewhere on campus.

SBC also updated their Estates Strategy in May 2017 with the Lambeth College Nine Elms STEM Centre the most significant project looking to deliver on the College's estate strategy. Target completion for this project is intended for June 2022 with a total capital expenditure of £45m.

Project governance

Projects are governed by a project board with meetings held on a monthly basis. The project boards are made up a mixture of LSBU, SBC and external stakeholders as appropriate to provide a holistic level of oversight over individual major capital projects. The nature of the project board is to review project progress and make key project decisions.

The Major Projects and Investment Committee (MPIC) is a sub-committee of the Board of Governors with greater decision making capacity than the Executive Committee. The remit of the committee includes (but is not limited to) review of capital and revenue investment, review 'master-plans' for estate and infrastructure and monitor the delivery of major projects.

All committees are governed by a Terms of Reference and Financial Delegation which states the authorisation limits of each group entity.

For projects relating to Lambeth College, reporting also takes place to the South Bank Colleges Board.

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Financial management

Budgets are monitored closely by internal and external project managers and quantity surveyors throughout the life of major capital projects. Costs are reviewed at the monthly project board meetings and other governance committees. A movement of expenditure between prior and current month is performed by project managers to monitor any variances between planned and actual costs.

Procurement of consultants / contractors is subject to tendering and contract letting arrangements in line with the Official Journal of the European Union guidelines where appropriate. An evaluation panel is set up to assess contractors using a scoring matrix. Time, cost and quality are key considerations that the evaluation panel uses to decide which contractor/ consultant to award a contract to.

Performance management

Internal project managers oversee the performance of contractors/ consultants on a monthly basis. The contractor/ consultant is required to submit a progress report to the project manager and explain any reasons for deviations from what was agreed. The project board includes contractors/ consultants as part of the quorum to ensure that all project stakeholders remain accountable for their role on the project.

Post project appraisals are performed following the completion of major capital projects. This usually occurs both directly following project completion and after the twelve month defect period. Lessons learnt and areas which went well are considered during the planning phase of future projects.

Monitoring and reporting:

Apart from budgetary monitoring (referred to in Financial Management section), LSBU and SBC monitor project spend against the overall capital programme investment plan. The Executive Director of Estates and Academic Environment maintains a list of priority projects which identifies the major capital works that are required across the group, the estimated timeframe and cost for each project.

Reporting to the Project Boards is undertaken on a monthly basis. Information included within the reports includes programme cost reports, work in progress, dashboard reports, progress updates, cost movements and issues affecting the project which require a decision.

KEY FINDINGS:

Notwithstanding the elements of good practice noted above we have identified areas capable of further improvement. We have raised one medium priority and three low priority finding as summarised below:

- Project objectives and benefits documented in the key project documentation are not as formally defined or as 'SMART' as would be expected for significant capital projects.

- There are no formal written project management processes or procedures which may lead to inconsistent management practices being implemented on capital projects.

- There is a lack of feedback from governing bodies to the estates and project management team which may lead to projects not being delivered to time or budget.

- The Terms of Reference for Project Boards have not been reviewed and are not up to date.

LONDON SOUTH BANK UNIVERSITY, ESTATES/ CAPITAL PROGRAMME

CONCLUSION:

We are able to provide moderate assurance for both the design of the controls environment and operational effectiveness of the controls over the management of estates capital projects.

Although the control environment over major projects is robust, the nature of control gaps that exist need to be addressed. Specifically, where there is a lack of clear objectives and benefits as well as minimal feedback from governance committees, this can profoundly affect capital projects being delivered to time and budget and are critical when dealing with projects of significant value and complexity.

OUR TESTING DID NOT IDENTIFY ANY CONCERNS SURROUNDING THE CONTROLS IN PLACE TO MITIGATE THE FOLLOWING RISKS:

✓ The management structure to support the project is bureaucratic impacting on the timescales for decision making and/or does not represent the best interests of the Group.

✓ Lack of engagement with staff and students resulting in an estate which does not meet their needs

✓ Budgets are not appropriately set and/or monitored leading to additional costs and costs are not appropriately monitored or managed.

✓ The University does not follow appropriate tendering and contract letting arrangements where capital projects require external consultants/contractors to deliver works.

✓ There is a lack of oversight and management of contractors leading to poor quality work being delivered or delays in delivery.

✓ Reporting is inaccurate/untimely and/or does not provide proper oversight of the project nor allow for effective decision making.

✓ Post project appraisals are not completed to identify learning points and any issues that should be considered as part of the future development programme.

✓ Affordability of capital expenditure investment plan (LSBU risk 37).

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DETAILED FINDINGS

RISK: THE APPRAISAL AND APPROVAL PROCESS DOES NOT ALLOW SUFFICIENT CHALLENGE TO THE RATIONALE FOR WORKS, INCLUDING WHETHER OR NOT THE WORKS ARE NECESSARY, WHETHER THE ONGOING MAINTENANCE COSTS HAVE BEEN CONSIDERED AND WHETHER THE WORKS REPRESENT VALUE FOR MONEY.

Ref	Sig.	Finding
1	🟧	The project objectives and benefits documented in the key project documentation are not as formally defined or 'SMART' as would be expected for significant capital projects. A number of documents are developed to provide greater understanding of the detail of the projects, including the PEP and Project Brief. However, the objectives and the business benefits are not defined to be as SMART as we would expect. For example in the London Road PEP, the key objectives are defined as: • Enhance and improve the current university facilities • Invest in the future so as to create an environment suitable for a 21st century institution • Create a cohesive and connected campus. These are high level project objectives, however they are not SMART. The PEP contains no section defining detailed benefits for the project and a realisation plan which provides clarity as to how the benefits to the University will be delivered. Our interviews also highlighted a number of project team members who did not have absolute clarity of the detailed objectives for the London Road project. A lack of clarity of objectives and benefits at project inception can lead to an increased risk of the project failing to deliver on 'agreed' outcomes. In addition, scope changes are more likely to occur and project stakeholders may have different perceptions of what success looks like. Project planning should be undertaken with a clear understanding of the objectives, scope and the expected benefits – if not then the plans are less likely to reflect what LSBU wants or expects. As an example, we understand that the initial programme of works for the London Road building only factored in five residual projects whereas it now contains 13 projects which were not considered during project initiation. Although this may be as a result of changing project requirements during the course of the project, a greater level of detail in the objectives and benefits at the outset may have reduced the risk of this occurring.

RECOMMENDATION:

LSBU should define detailed objectives and benefits for all capital projects, leading to the creation of documented SMART objectives (Specific, Measurable, Achievable, Realistic, Timebound) than are currently developed and agreed.

Detailed objectives and benefits (which helps provide clarity of scope) should be agreed by key stakeholders at the inception of the project to ensure alignment.

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MANAGEMENT RESPONSE:

Detailed information regarding any major capital project is included in the MPIC/Board of Governors reports when seeking funding and includes deliverables and benefits to the University. It is accepted, however, that as these reports are produced by EAE, the clear measurable benefits post project are not always included as the reports are very building project based. In future, stakeholders will be asked for SMART objectives as part of the planning for major capital projects and will be included as a PID for submission with the report.   The requirement for ongoing reporting on the benefits etc will be included in the Communication Plan (see 1).

| Responsible Officer: | Executive Director of Estates and Academic Environment |

| Implementation Date: | 1 October 2020 |

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RISK: CAPITAL PROJECTS ARE NOT APPROPRIATELY MANAGED AND SUBJECT TO CLEAR GOVERNANCE ARRANGEMENTS LEADING TO UNCLEAR DECISION MAKING AND APPROVALS. DECISION MAKING SHOULD BE BASED ON CLEAR DELEGATION OF AUTHORITIES, RESPONSIBILITIES AND ESCALATION CHANNELS.

Ref	Sig.	Finding
2	●	We identified the following in relation to estates project management guidance: • Although the RIBA project management guidelines are followed for large capital projects, there is no supporting university/group document which show how the guidelines will be adopted by the University (or Group) and what documents and deliverables are required for each of the seven RIBA stages. • For smaller projects we understand there are guidelines in place but that these are out of date and require updating. • There is no end to end project management flowchart/ overarching document sign posting users to the processes to be followed for smaller/ larger projects. Our review found that the project initiation documentation for London Road did not contain an appropriate level of detail for the size and complexity of project. For a project exceeding £50m it is important to have a greater level of detail in this area and this may be supported by having further guidance. We note that a Project Management Procedures checklist is in the pipeline for development. Absence of a clear, standardised process and procedural documentation may lead to inconsistent management practices being implemented on capital projects and expectations not being clearly aligned.

RECOMMENDATION:

An overarching end to end project management framework/flowchart should be implemented setting out the LSBU approach to project management and signposting users to other documents/ information as required.

MANAGEMENT RESPONSE:

This is a planned but outstanding piece of work. The internal Senior Project Managers are professionally qualified and work to the RIBA project management guidelines. The Deputy Director of Estates and Academic Environment (Development) has been hoping to prepare written guidelines for some time but due to ongoing pressure of work and an under-resourced team, this has not been possible as the actual delivery of the major capital projects has had to take priority.

Responsible Officer:	Deputy Director of Estates and Academic Environment (Development)
Implementation Date:	1 January 2021

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RISK: THE APPRAISAL AND APPROVAL PROCESS DOES NOT ALLOW SUFFICIENT CHALLENGE TO THE RATIONALE FOR WORKS, INCLUDING WHETHER OR NOT THE WORKS ARE NECESSARY, WHETHER THE ONGOING MAINTENANCE COSTS HAVE BEEN CONSIDERED AND WHETHER THE WORKS REPRESENT VALUE FOR MONEY.

Ref	Sig.	Finding
3	🟢	There is a lack of formal written feedback from the Group Executive Team and Major Projects and Investment Committee (MPIC) about key project decisions. Through enquiry with key project stakeholders we found that decisions made within the Executive Committee and MPIC forums are rarely communicated back to management teams in writing. We understand that feedback delivered back to project teams is verbal and very informal. This has led to instances in the past where the management team has submitted papers to the committees to recommend a contractor but it has not been given feedback on whether it can proceed with awarding the contract. A lack of communication between governance committees and the project management team may lead to projects not being delivered to time or budget. It is important that decisions are communicated to ensure alignment between key stakeholders and actions are put into place promptly.

RECOMMENDATION:

A formal process be put in place to deliver feedback from Executive Committee and MPIC to the project management teams. This might include a one page summary document outlining the key decisions made which impact capital projects.

LSBU and SBC should implement a communications plan to identify communication needs across all project stakeholders. The communication plan should include (at a minimum) the communication purpose, format, frequency, audience and project owner responsible.

MANAGEMENT RESPONSE:

Paul Ivey, Deputy VC, will be asked for support with a request to the University Secretary for a process to be put in place whereby a formal written response is sent following Committee/Board meetings regarding any decisions made or further action required to all reports submitted for consideration/approval by EAE regarding estate related issues.

A communication plan will be drafted at the onset of all major capital projects to be signed off by the Project Board and will cover not only the entire life of the project itself but will include the requirement for ongoing report of stakeholders' SMART objectives included in the PID/original report to MPIC/Board of Governors.

Responsible Officer:	Executive Director of EAE, Deputy Director EAE/Internal Senior Project Manager and University Secretary
Implementation Date:	1 September 2020

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RISK: PROJECT MANAGEMENT ROLES AND RESPONSIBILITIES MAY NOT BE CLEAR, OR STAFF MAY NOT BE SUFFICIENTLY RESOURCED AND TRAINED TO MANAGE PROJECTS EFFECTIVELY.

Ref	Sig.	Finding
4	🟢	The Terms of Reference for Project Boards are not kept up to date.

We inspected the Terms of Reference for the Project Boards on a sample of major projects to determine whether the roles and responsibilities of the Board were clearly articulated. We found that the Terms of Reference for the NESC / STEAM project was incomplete and had not included current project members within it. For example, the Student Representative, Consultant Project Manager and Consultant Cost Manager all had TBA within the Terms of Reference. Additionally, the LSBU Senior Project Manager's name was absent from the Terms of Reference despite being a key project management representative of Lambeth College. Similarly, the Terms of Reference for the London Road Project Board had TBA next to the student representative membership.

There is a risk of inadequate oversight of capital projects where roles and responsibilities within the governance structure are not clear. This may lead to inappropriate decision making and oversight.

RECOMMENDATION:

The Terms of Reference for project boards across major capital projects should be kept up to date, clearly defined and communicated.

MANAGEMENT RESPONSE:

This is an oversight. The ToR will be included as a standing agenda item for all future Board meetings and any changes made as and when they occur.

Responsible Officer:	Deputy Director of Estates and Academic Environment (Development)/Senior Project Manager
Implementation Date:	1 September 2020

LONDON SOUTH BANK UNIVERSITY, ESTATES/ CAPITAL PROGRAMME

OBSERVATIONS

DOCUMENTING PROJECT APPRAISALS

We understand that project appraisals are completed and documented following the 12 month defect period for major construction projects across LSBU. For the two samples selected, both were within the 12 month defect period so a post project appraisal had not yet been completed. Although this is not a significant issue, documenting lessons learnt 12 months after go-live increases the risk of forgetting what worked well and areas that could be improved. Therefore it would be good practice to document these as the project progresses.

The Internal Audit Plan for 2020/21 includes a post-project review of the London Road project.

GOOD PRACTICE

There are a number of aspects of managing capital projects across LSBU and SBC that are aligned to good practice. The following points, although not exhaustive, highlight a number of these:

- Capital projects are subject to approval and oversight through a clear governance structure.

- Roles and responsibilities are set out in Project Execution Plans and experienced project managers are used. Induction training is provided to all staff and contractors before entering project sites.

- Staff and students are engaged through the governance forums. Representatives from the Students' Union sit on project board and staff are included during the design phase in order to obtain their feedback and perspectives.

- Contractors are procured in line with the OJEU guidelines and subject to a full tendering and evaluation process. We selected a sample of contractors working on the London Road, Elephant Studios and NESC/ STEAM projects and all were listed on the BLOOM framework used by the group.

- Initial budgets are compiled using an external quantity surveyor and actual expenditure is regularly monitored against planned expenditure throughout the life of the project.

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STAFF INTERVIEWED	
BDO LLP APPRECIATES THE TIME PROVIDED BY ALL THE INDIVIDUALS INVOLVED IN THIS REVIEW AND WOULD LIKE TO THANK THEM FOR THEIR ASSISTANCE AND COOPERATION.	
Martin Fenner	LSBU Finance Category Manager (Procurement)
Peter Harrison	Deputy Director EAE (Estate Development)
Paul Ivey	Deputy Vice Chancellor / Chair of Project Boards
Stephen Lamont	LSBU Senior Project Manager - Lambeth
Carol Rose	Executive Director of Estates and Academic Environment

LONDON SOUTH BANK UNIVERSITY, ESTATES/ CAPITAL PROGRAMME

APPENDIX I – DEFINITIONS

LEVEL OF ASSURANCE	DESIGN OF INTERNAL CONTROL FRAMEWORK		OPERATIONAL EFFECTIVENESS OF CONTROLS	
	FINDINGS FROM REVIEW	DESIGN OPINION	FINDINGS FROM REVIEW	EFFECTIVENESS OPINION
Substantial ●	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
Moderate ■	In the main there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non compliance with some controls, that may put some of the system objectives at risk.
Limited ⬡	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
No ▲	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non compliance and/or compliance with inadequate controls.

RECOMMENDATION SIGNIFICANCE

High ▲	A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.
Medium ■	A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.
Low ●	Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.

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APPENDIX II - TERMS OF REFERENCE

PURPOSE OF REVIEW:

The purpose of the audit is to provide assurance over the controls in place regarding the Group's capital projects programme, with particular focus on the following areas:

1. Governance
2. Financial management
3. Performance management
4. Monitoring and reporting.

KEY RISKS:

Based upon the risk assessment undertaken during the development of the internal audit operational plan, through discussions with management, and our collective audit knowledge and understanding the key risks associated with the area under review are:

- Capital projects are not appropriately managed and subject to clear governance arrangements leading to unclear decision making and approvals. Decision making should be based on clear delegation of authorities, responsibilities and escalation channels.
- The management structure to support the project is bureaucratic impacting on the timescales for decision making and/or does not represent the best interests of the Group.
- Project management roles and responsibilities may not be clear, or staff may not be sufficiently resourced and trained to manage projects effectively.
- The appraisal and approval process does not allow sufficient challenge to the rationale for works, including whether or not the works are necessary, whether the ongoing maintenance costs have been considered and whether the works represent value for money.
- Lack of engagement with staff and students resulting in an estate which does not meet their needs.
- Budgets are not appropriately set and/or monitored leading to additional costs and costs are not appropriately monitored or managed.
- The University does not follow appropriate tendering and contract letting arrangements where capital projects require external consultants/contractors to deliver works.
- There is a lack of oversight and management of contractors leading to poor quality work being delivered or delays in delivery.
- Reporting is inaccurate/untimely and/or does not provide proper oversight of the project nor allow for effective decision making.
- Post project appraisals are not completed to identify learning points and any issues that should be considered as part of the future development programme.
- Affordability of capital expenditure investment plan (LSBU risk 37).

LONDON SOUTH BANK UNIVERSITY, ESTATES/ CAPITAL PROGRAMME

SCOPE OF REVIEW:

The following areas will be covered as part of this review:
- Governance over the estates capital programme and individual capital projects
- Delegation of authorities, responsibilities and escalation channels
- Management structures to support the project
- Project management roles and responsibilities
- The appraisal and approval process including affordability of the capital
- investment plan
- Engagement with staff and students
- Budgets setting for capital projects and monitoring of costs
- Capital tendering and contract letting arrangements
- Oversight and management of contractor performance
- Identification of delays
- Reporting arrangements
- Post project appraisals

However, Internal Audit will bring to the attention of management any points relating to other areas that come to their attention during the course of the audit. We assume for the purposes of estimating the number of days of audit work that there is one control environment, and that we will be providing assurance over controls in this environment. If this is not the case, our estimate of audit days may not be accurate.

APPROACH:

Our approach will be to conduct interviews to establish the controls in operation for each of our areas of audit work. We will then seek documentary evidence that these controls are designed as described. We will evaluate these controls to identify whether they adequately address the risks.

We will seek to gain evidence of the satisfactory operation of the controls to verify the effectiveness of the control through use of a range of tools and techniques.

Our sample testing will include two of the University's capital projects and one from SBC.

We will meet with a number of project stakeholders which will include project sponsors, managers, PMO and other business stakeholders.

DATA ANALYTICS:

Data analytics is not considered appropriate for use in this audit.

WORK UNDERTAKEN

This review focussed on the controls in place regarding governance, financial management, performance management and monitoring & reporting across major capital projects at lsbu.

The london road, elephant studios and nine elms science, technology, english, arts and maths (nesc / steam) centre were used as sample projects.

We conducted interviews with a variety of stakeholders across the estates team, project management team, support teams and governance committees to understand their involvement on capital projects, identify controls in place and where there are concerns with the control environment.

We obtained documentary evidence that controls are designed as described. Specifically, we reviewed project execution plans, project board minutes, cost reports, raid logs, terms of reference for governance committees and original and current budget information.

Based on our experience, we evaluated whether the controls identified adequately addressed the risks as per the terms of reference (refer to appendix ii). Where there were control gaps, we sought to identify if mitigating controls existed.

FOR MORE INFORMATION:

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LONDON SOUTH BANK UNIVERSITY

INTERNAL AUDIT REPORT – FINAL ARC VERSION

STUDENT DATA – CONTINUOUS AUDIT 2
SEPTEMBER 2020

LEVEL OF ASSURANCE	
Design	Operational Effectiveness
Moderate	Substantial

LONDON SOUTH BANK UNIVERSITY, STUDENT DATA – CONTINUOUS AUDIT 2

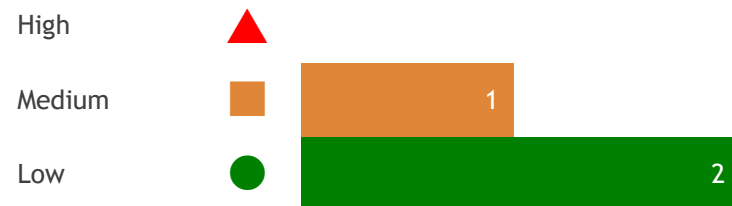| DISTRIBUTION	
Richard Flatman	Chief Financial Officer
Lisa Upton	Head of Registry
Andrew Ratajczak	Head of Fees and Bursaries
Gary Smith	Head of Student Administration
Natalie Ferer	Group Financial Controller
REPORT STATUS LIST	
Auditors:	Anthony Higginson
Dates work performed:	18 - 22 May and 1 June – 12 June 2020
Draft report issued:	22 July 2020
Final report issued:	29 September 2020

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EXECUTIVE SUMMARY

LEVEL OF ASSURANCE: (SEE APPENDIX I FOR DEFINITIONS)

Design	■	Generally a sound system of internal control designed to achieve system objectives with some exceptions.
Effectiveness	●	The controls that are in place are being consistently applied.

SUMMARY OF RECOMMENDATIONS: (SEE APPENDIX I)

High	▲	
Medium	■	1
Low	●	2

TOTAL NUMBER OF RECOMMENDATIONS: 3

BACKGROUND:

As part of LSBU's internal audit programme, two continuous audits of student data were included. The first review, completed in October 2019, focussed on student enrolment, apprenticeships enrolment, student attendance and engagement, course changes, interruptions and withdrawals, module changes and system access. Moderate assurance was provided over the design and operational effectiveness of the associated key controls to safeguard student data. Seven recommendations were raised, three of medium significance and four of low. The medium significance findings related to the inefficient operation of the student engagement procedure and design of student point of contact report, the lack of controls to identify where students are erroneously enrolled on two courses and instances where students were enrolled without the necessary pre-enrolment checks.

Since our last audit, LSBU has sought to undertake a raft of changes to existing processes and systems, to increase efficiencies and student experience and in response to internal audit recommendations. The scope of some of these changes have been increased as the University responds to the Covid-19 crisis. We were informed that these changes included:

- Online enrolment for all students
- Online course changes via the Registry team first using DocuSign
- Online interruptions and withdrawals
- Revision to the attendance and engagement monitoring report and methodology
- A standardisation of the module choice process with defined timeframes.

These areas became the focus of our audit testing for the second student data audit. During the audit, it became apparent that the expected changes had not yet been fully implemented. While enrolments and course changes are now completed online, with revised processes, the interruptions and withdrawals process is not managed using DocuSign yet and the procedure has not been amended. The expectation is that this will be completed before the start of the new academic term. The processes to monitor and report on student attendance and engagement have not developed since the previous audit. Since restrictions imposed in response to Covid-19, no central monitoring of student engagement is taking place. A project to enforce a cut-off date for module choices with standardised selection processes was being managed by the Head of Project Delivery for Student Services. It was

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agreed that a standardised selection process would not be adopted, but instead inefficient processes would be phased out. This project has also been delayed whilst the course leads identify which modules can be delivered remotely.

Between 1 November 2019 and 30 April 2020:

- 2,945 students have enrolled/re-enrolled, 2,048 of these were first enrolments
- 245 students have changed course
- 397 students have interrupted their studies
- 372 students have withdrawn from their studies.

Course changes, interruptions and withdrawals for the previous two years are profiled in Appendix III.

The purpose of the audit is to provide assurance over the controls LSBU has in place to manage the quality of student enrolment, student engagement and attendance data and module data. We will also review the revised course change and interruption and withdrawal processes.

KEY FINDINGS:

Whilst progress has been made in implementing recommendations raised from the first student data audit, we identified that there was still work required to implement recommendations related to student engagement, module choices and the SAM report. We have reflected the progress against the original audit finding and recommendation in Appendix I. In summary, weaknesses with the student engagement and attendance monitoring and module choice processes have not been addressed. Covid-19 has further delayed progress.

We have raised additional findings and recommendations where testing identified control weaknesses. One medium significance finding and two low significance findings have been raised.

We identified that the University has ceased any systematic monitoring of student attendance and engagement since the campus closed due to Covid-19. Schools are now responsible for monitoring engagement. However, no processes have been developed to support this and the current processes are not structured and in some cases non-existent.

Furthermore, we identified a lack of evidence to support optional module choices selected by students enrolled this year. Of 12 students reviewed, who had selected optional modules, the Student Administration team had not kept evidence to support the choices of ten.

CONCLUSION:

In assessing the design and operational effectiveness of internal control, we have considered progress made against original recommendations from the first student data audit and findings raised in the current student data audit. Due to the nature and significance of the findings raised we have provided moderate assurance over the design of internal controls to safeguard student data and substantial assurance over their operational effectiveness.

OUR TESTING DID NOT IDENTIFY ANY CONCERNS SURROUNDING THE CONTROLS IN PLACE TO MITIGATE THE FOLLOWING RISKS:

✓ Enrolment data may be inaccurate

✓ Student attendance records are incorrect

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✓ Student course changes are not identified in a timely manner

✓ Changes in circumstances are not reported to the SLC in a timely basis

LONDON SOUTH BANK UNIVERSITY, STUDENT DATA – CONTINUOUS AUDIT 2

DETAILED FINDINGS

RISK: STUDENT ENGAGEMENT RECORDS ARE INCORRECT

Ref	Sig.	Finding
1	🟧	LSBU is not systematically monitoring student engagement/attendance during the Covid-19 restrictions.

Engagement and attendance was monitored through the SPOC and SAM reports. This was completed up until the week of 2 March. Following the announcement by the Prime Minister on the 23 March, LSBU closed its campus buildings.

As historic metrics of engagement (entry onto campus, attendance of lectures) was no longer possible, the use of Moodle and submissions of assignments now constitutes the main metric by which attendance and engagement can be assessed. The Head of Student Administration and Student Engagement Team Leader were under the impression that engagement was being monitored within the Schools by the directors of study and student experience (DESE).

Interviews with DESEs in the Schools of Business, Applied Science and Health and Social Care identified that these processes are variable or non-existent. All three stated they were not actively or systematically monitoring the student engagement.

No monitoring is undertaken by the Business School. Moodle use is monitored by module users in the School of Health and Social Care. However, this is not analysed or reported. In the School of Applied Science, students are being contacted by an engagement officer. Similarly, course and module leaders are attempting to assess engagement with live sessions delivered.

Without a formal, structured approach to engagement and attendance monitoring, the University may not be able to actively identify which students require additional support. As a result, attainment records may drop. Furthermore, LSBU may not comply with UKVI requirements to report on student attendance of Tier 4 students.

RECOMMENDATION:

Notwithstanding the recommendation raised in the first student data audit relating to the engagement/attendance monitoring methodology (see Appendix I), LSBU should implement a process of monitoring engagement for students who are undertaking studies remotely.

This should consider the use of Moodle, submission of assignments and attendance to online lectures. Where students are not engaging, the schools should contact them to offer additional support.

MANAGEMENT RESPONSE:

A decision was made, in consultation, with the schools in March 2020 as to the very limited engagement monitoring that would take place following the closure of the campus. At all times, we remained compliant with UKVI guidelines.

From September 2020, the Student Admin team is monitoring online and on campus engagement including use of Moodle/coursework submission.

LONDON SOUTH BANK UNIVERSITY, STUDENT DATA – CONTINUOUS AUDIT 2

Responsible Officer:	Jamie Jones
Implementation Date:	Complete – 1 September 2020

LONDON SOUTH BANK UNIVERSITY, STUDENT DATA – CONTINUOUS AUDIT 2

RISK: STUDENT MODULE DATA IS INACCURATE OR INCOMPLETE		
Ref	**Sig.**	**Finding**
2	🟢	Evidence does not exist to support module choices.

For a sample of 12 students who had enrolled since 1 November, we sought to confirm whether evidence of their optional module choices exists. Of these 12, evidence was not available to support the student's module choice for ten students. These are listed in Appendix II.

If evidence is not kept of module choices, then the Student Administration team will be unable to check whether optional module choices selected were accurate. There is a risk that students are assigned to inaccurate module choices. |

RECOMMENDATION:

Notwithstanding the recommendation raised in the first student data audit relating to the process of obtaining module choices (Appendix I), LSBU should store all module choices for future reference. This should be attached to student records in QLS, or stored in a central shared location. These could be used by the Student Administration team to sample check student module choices manually selected by administrators have been accurately selected.

MANAGEMENT RESPONSE:

The revised procedure that we established, for students to choose their optional modules, and for those to be recorded in April/May 2020 was undermined by the lockdown/pandemic situation.

Were a student to query the module that they had been assigned to, we would be able to check that individual record by going back to the e-mail sent by that particular student.

However, given the recommendation we will now introduce a central store.

Responsible Officer:	Jamie Jones
Implementation Date:	1 December 2020

LONDON SOUTH BANK UNIVERSITY, STUDENT DATA – CONTINUOUS AUDIT 2

RISK: STUDENT MODULE DATA IS INACCURATE OR INCOMPLETE		
Ref	**Sig.**	**Finding**
3	🟢	Exception reporting of module choices was not being completed at the time of the audit. However, This control had previously been in place during our previous audit.
		Exception reports were used to identify whether module choices were missing.
		If exception reports are not run, there is a risk that students with incomplete modules would not be identified and addressed.

RECOMMENDATION:

Exception reporting should be run periodically through the year.

MANAGEMENT RESPONSE:

There was a delay in co-ordinating exception reports. As the report indicates this control is in place and exception reports are now being run on to ensure that all students have an appropriate module load.

Responsible Officer:	Lisa Upton
Implementation Date:	1 August 2020

LONDON SOUTH BANK UNIVERSITY, STUDENT DATA – CONTINUOUS AUDIT 2

OBSERVATIONS

UPDATED POLICIES AND PROCEDURES AND GUIDANCE

The Admissions and Enrolment procedure and online guidance on the LSBU website has not been updated to reflect the updated online enrolment procedures. This will need updating prior to the start of the new academic year.

GOOD PRACTICE

We identified a number of areas of good practice during our audit. This included:

- For 15 students enrolled since 1 November 2019, all had received identity checks, qualification checks, criminal record checks, funding assessments and right to study checks prior to enrolment. All had been accurately enrolled in QLS.

- For 13 students who have changed course since 1 November 2019, all had received approval from the new course director and their qualifications had been checked. This had been completed before the change was made in QLS. All had been accurately processed in QLS.

- The course change process has been streamlined, removing the course change log and the Student Administration team. All changes are confirmed by Registry and the International team first to ensure any changes are viable before course directors are contacted to confirm this change. This process is supported by updated procedures and a new form which is completed using DocuSign.

- For 15 students who had interrupted or withdrawn from their studies since 1 November 2019, the SLC had been informed in a timely manner.

LONDON SOUTH BANK UNIVERSITY, STUDENT DATA – CONTINUOUS AUDIT 2

STAFF INTERVIEWED

BDO LLP APPRECIATES THE TIME PROVIDED BY ALL THE INDIVIDUALS INVOLVED IN THIS REVIEW AND WOULD LIKE TO THANK THEM FOR THEIR ASSISTANCE AND COOPERATION.

Alan Butt	Student Engagement Team Leader
Clive Case	Assistant Registrar (Records)
Angela Dalrymple	Director of Education and Student Experience (DESE) –School of Business
Emma Land	Head of Projects and Delivery
Tom Marley	Student Administration Operations Manager
Tony Moss	DESE -School of Applied Science
Andrew Ratajczak	Head of Fees and Bursaries
Noreen Sinclair	DESE –School of Health and Social Care
Gary Smith	Head of Student Administration
Lisa Upton	Head of Registry

LONDON SOUTH BANK UNIVERSITY, STUDENT DATA – CONTINUOUS AUDIT 2

APPENDIX I – OUTSTANDING STUDENT DATA INTERNAL AUDIT RECOMMENDATIONS

Finding	Recommendation	Sig.	Original Due date	Revised due date	Resp. Person	Update
The Student Point of Contact (SPOC) report does not provide useful management information on student engagement and we identified a number of weaknesses with the design of the report. Currently the Student Engagement procedure defines the minimum threshold of engagement as entry onto campus and use of Moodle. We were informed that attendance at lectures is also considered in practice but not included within the procedure. The current process to monitor student engagement is time consuming and inefficient. Students not meeting the required level of engagement are contacted using a series of emails and letters to ascertain why engagement is below the minimum expected. The activity undertaken by the Student Engagement team and responses received are manually recorded in a column within the Excel SPOC report. We identified instances where the Student Engagement team was not provided with key curriculum information such as the dates of reading weeks and where students were on placement. As such, students were being chased because of poor attendance when they were not required to attend classes. The SPOC report reviews engagement over a two week period at a time. It does not consider longer term engagement or look at trends.	LSBU should review how it monitors student engagement and whether the factors monitored can be adapted for different courses which have different requirements. An assessment should be made over whether the SPOC report can be adapted to address its current shortcomings or whether the SAM report should be enhanced. Either way, the tools used should help put the student's engagement in context and have the facility to capture and process key dates where engagement is not to be expected, such as reading weeks and placements. The minimum engagement as defined in the Student Engagement procedure should be updated to include lecture/workshop attendance. Consideration should be given to whether this should include submission of assignments as well. Records should only be kept of students failing to meet defined levels of engagement. This should reduce the amount of data required to be annotated and analysed. Engagement analysis should be longer term rather than just on a weekly basis to identify patterns of poor engagement.	🟧	31/05/20	30/09/21	Jamie Jones, Deputy Director of Student Services	May 20 - The University has paused engagement and attendance monitoring using SPOC/SAM as of early March. Student engagement is now monitored through module activity within Moodle through reports to course directors with inactivity addressed by the Director of Study and Student Experience in each School. Further testing identified that this is not taking place. The revised project will unlikely be addressed until the full impact of Covid- 19 is clearer. The expectation is this should be revised in September 2021.

LONDON SOUTH BANK UNIVERSITY, STUDENT DATA – CONTINUOUS AUDIT 2

Finding	Recommendation	Sig.	Original Due date	Revised due date	Resp. Person	Update
There is no defined process for obtaining module choices and no defined cut-off date that choices need to be made by. There is also no written guidance available to students on how to select module choices.

Within a student record in Unit4, a student is assigned to a programme and specific modules are attached. For first year students, most modules are mandatory and cannot be amended. In later years, depending on their course, students can chose from a list of optional modules.

The processes implemented to obtain module choices and the timeframes required to complete these choices depend on the school the programme is part of. Some schools use Moodle, the VLE for students to obtain module choices, others will use paper forms, and in other instances the Student Administrator will email the student. The student administrators, who sit within the schools, collect this information and update the student record system. This is a manual process of clicking the right modules in Unit4. There is no secondary check of this data input.

Examples were described to us of programmes receiving module choices in September 2019 which is too late as module choices inform the timetabling and the exams entered and being unable to finalise these may have knock-on impacts on these processes. Some modules may also have maximum class sizes, perhaps due to space availability. Without a defined process | A defined process and timeframe for obtaining module choices from students should be implemented.

The University could consider whether a tool can be developed to update Unit4 automatically based on the student choices.

Written guidance should be available to students on how and when to select module choices. | 🟧 | 01/06/20 | 30/09/21 | Tom Marley, Student Administration Operations Manager | May 20 - A process is in progress to establish a consistent module choice process within the VLE, Moodle.

There was no appetite within the schools for a consistent approach. Instead a deadlines was set of completion to be 31 May 20. Schools are encouraged to use Moodle. This has been delayed due to Covid-19, with schools not sure which modules can be offered. A consistent approach with deadlines is unlikely to be in place until September 2021. |

LONDON SOUTH BANK UNIVERSITY, STUDENT DATA – CONTINUOUS AUDIT 2

adopted across all schools, with a clear cut-off date for module choices, the University may be unable to finalise timetabling requirements until the start of the academic year. Where paper forms are completed, there is a risk that student choices are lost, or inaccurately input into systems. This will further add to the inefficiencies in the process and could impact negatively on the student experience.

Finding	Recommendation	Sig.	Original Due date	Revised due date	Resp. Person	Update
Timetabling information is duplicated in the SAM report. The SAM report is more sophisticated than the SPOC report. Unlike the SPOC report, which effectively counts whether a student has attended a class in the day, the SAM report attempts to map the student attendance to the timetabling data, obtained from the timetabling system, CMIS. The SAM report identifies the number of times a student has attended specific classes. The data can be presented at a course level or a student level. The SAM report enables the Engagement team to assess whether the student has attended lectures as prescribed by the timetabling system. We reviewed the SAM report for a first year, BA (Hons) Architecture student with ID 3604136. The SAM report provided a long list of courses with the times, rooms, lecturer and whether the student attended them or not.	The Business Intelligence and Reporting team should investigate whether the SAM report can be developed to prevent duplication of timetabling records where classes are split.	🟢	01/09/20	N/A	Short term – Ken Rose, BI & Reporting Team Leader Long term – Timetabling team	May 20 – As per student engagement finding, this has been delayed due to Covid-19. No progress has been made.

LONDON SOUTH BANK UNIVERSITY, STUDENT DATA – CONTINUOUS AUDIT 2

We identified that there was a duplication within the SAM report. It was not clear why this was. For example:

• The student had been allocated four lectures on a Tuesday between 10:00 and 13:00, in four different rooms

• Four lectures on a Tuesday between 14:00 and 17:00 in four different rooms

• Four lectures on a Thursday between 10:00 and 13:00 in four different rooms

• Four lectures on a Thursday between 14:00 and 17:00 in different rooms

We were informed that this could be where the class was split across multiple classrooms in CMIS.

The consequence is that a student's attendance is considered in a worse position than it is.

LONDON SOUTH BANK UNIVERSITY, STUDENT DATA – CONTINUOUS AUDIT 2

APPENDIX II – MODULE CHOICE EXCEPTIONS

ID	SESSION CODE	DETAIL OF EXCEPTONS
3703336	3FX06	BUE student. Choices provided in spreadsheet by partner organisation. No spreadsheet was available at the time of the audit. Three optional modules were chosen.
2517757	4FS00	This student selected all optional modules when they started their degree. No records have been kept. One optional module was chosen.
3714845	2FS00	Module choices were made through Moodle which are no longer kept. Three optional modules were chosen.
3829052	4FS01	The module choices were made in person. No records therefore kept. Three optional modules were chosen.
3511663	2FS00	Module choices were made through Moodle which are no longer kept. One optional module was chosen.
3806304	2FS01	Two optional modules were chosen. No record of these choices has been kept.
3534501	2FS01	Two optional modules were chosen. No record of these choices has been kept.
3904525	4FS01	The module choices were made in person. No records therefore kept. Four optional modules were chosen.
3801001	4FS01	Module choices were made through Moodle. Two optional module choices could be evidenced. Six other optional modules were chosen and no evidence was present.
3832054	2FS01	Module choices were made through Moodle which are no longer kept as the Administrator has now left LSBU. Three optional modules were chosen.

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APPENDIX III – DATA ANALYSIS

We obtained data from the past two years (1 June 2018 – 31 May 20) and reviewed the number of students who changed their course, interrupted their studies or withdrew from LSBU. These are profiled over the year to identify any changes compared to the prior year. We have also normalised these by the number of students enrolled to ensure the comparison is appropriate.

This analysis revealed that number of course changes, interruptions and withdrawals have marginally decreased as a percentage of the total student population.

As expected, course changes peak in October, shortly after the start of the academic term. This pattern was consistent in 2019/20 and lasted into November. However, following this the number of course changes were relatively small and consistent until May 2020.

Interruptions follow a similar trend with a peak at the beginning of the academic year. In April 2020, LSBU noticed an increase in students wanting to interrupt their studies although this dropped significantly in May 2020. This may be reflective of the Covid-19 crisis which may have accelerated the decision for students considering an interruption in their studies.
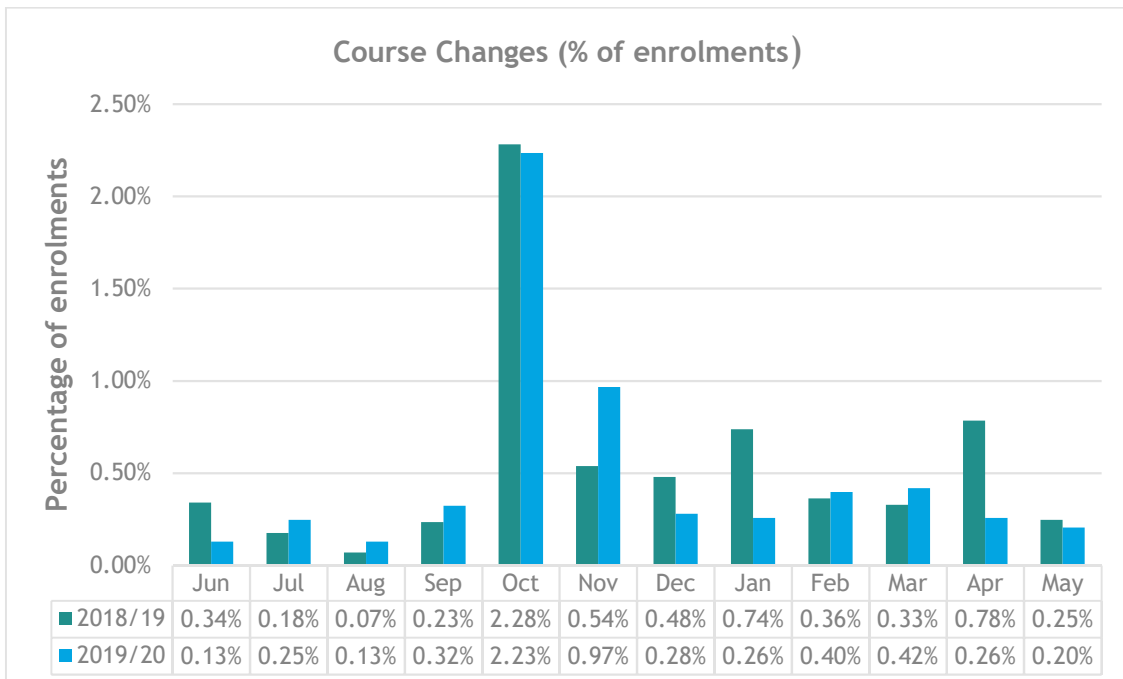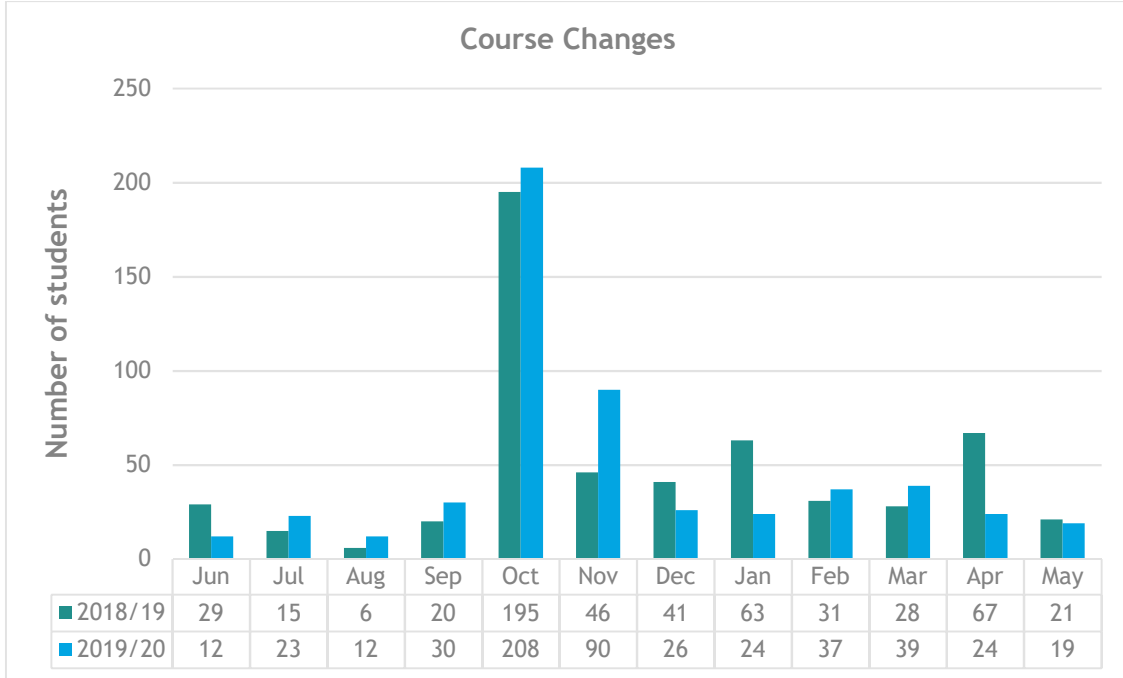
Withdrawals build to peaks in November and then again in April in advance of key examination periods. This pattern was matched in 2019/20 up to February 2020. Withdrawal rates dropped in March 2020 and all subsequent months. This may be reflect the caution experienced by students, especially with respect to alternative opportunities during the Covid-19 crisis. It could also reflect the reduction of imposed withdrawals made by the University due to poor attendance/engagement.

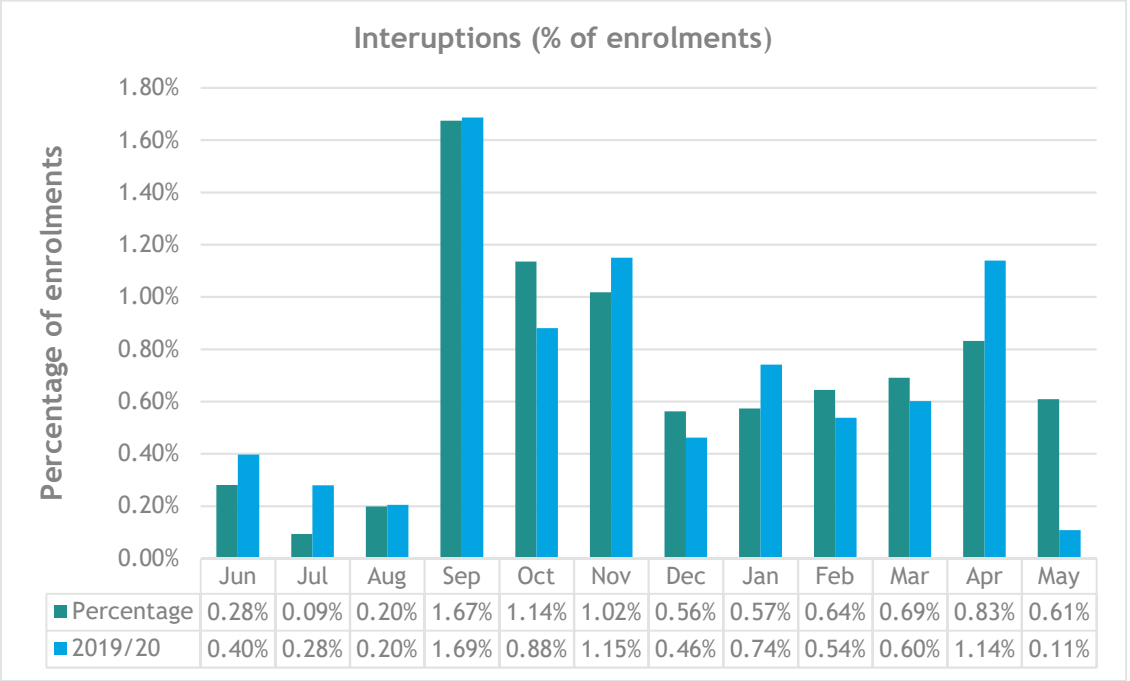| PERIOD	ENROLMENTS	COURSE CHANGES	% *	INTERUPTIONS	%	WITHDRAWALS	%
Jun 18 – May 19	8,544	562	6.58%	710	8.31%	643	7.53%
Jun 19 – May 20	9,309	544	5.84%	762	8.19%	587	6.31%
Change	765 (8.95%)	-18 (-3.20%)	-0.74%	52 (7.32%)	-0.12%	-56 (-8.71%)	-1.22%

*of enrolments

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COURSE CHANGES

Course Changes

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
2018/19	29	15	6	20	195	46	41	63	31	28	67	21
2019/20	12	23	12	30	208	90	26	24	37	39	24	19

Number of students

Course Changes (% of enrolments)

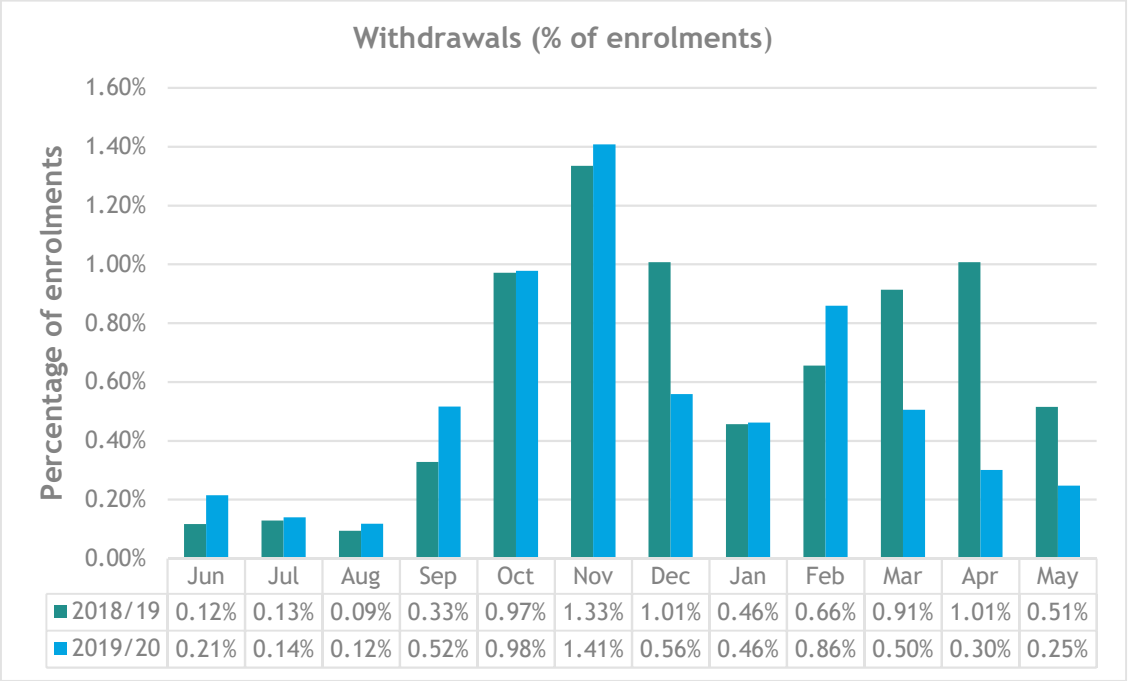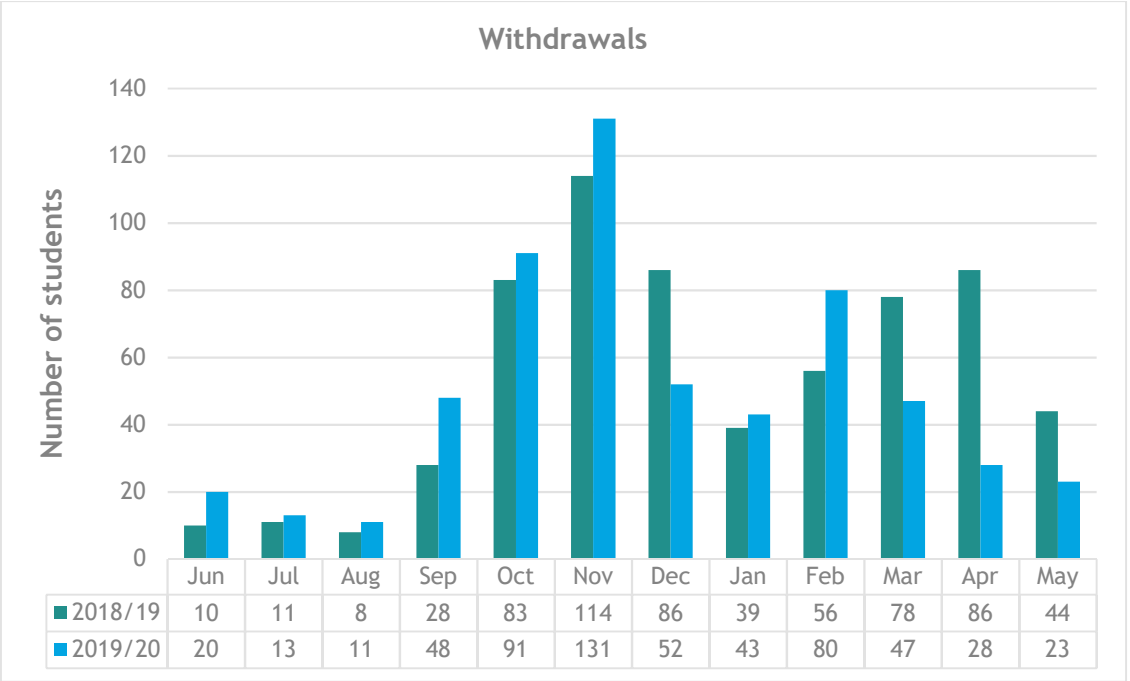|	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
2018/19	0.34%	0.18%	0.07%	0.23%	2.28%	0.54%	0.48%	0.74%	0.36%	0.33%	0.78%	0.25%
2019/20	0.13%	0.25%	0.13%	0.32%	2.23%	0.97%	0.28%	0.26%	0.40%	0.42%	0.26%	0.20%

Percentage of enrolments

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INTERUPTIONS

Interuptions

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
2018/19	24	8	17	143	97	87	48	49	55	59	71	52
2019/20	37	26	19	157	82	107	43	69	50	56	106	10

Interuptions (% of enrolments)

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Percentage	0.28%	0.09%	0.20%	1.67%	1.14%	1.02%	0.56%	0.57%	0.64%	0.69%	0.83%	0.61%
2019/20	0.40%	0.28%	0.20%	1.69%	0.88%	1.15%	0.46%	0.74%	0.54%	0.60%	1.14%	0.11%

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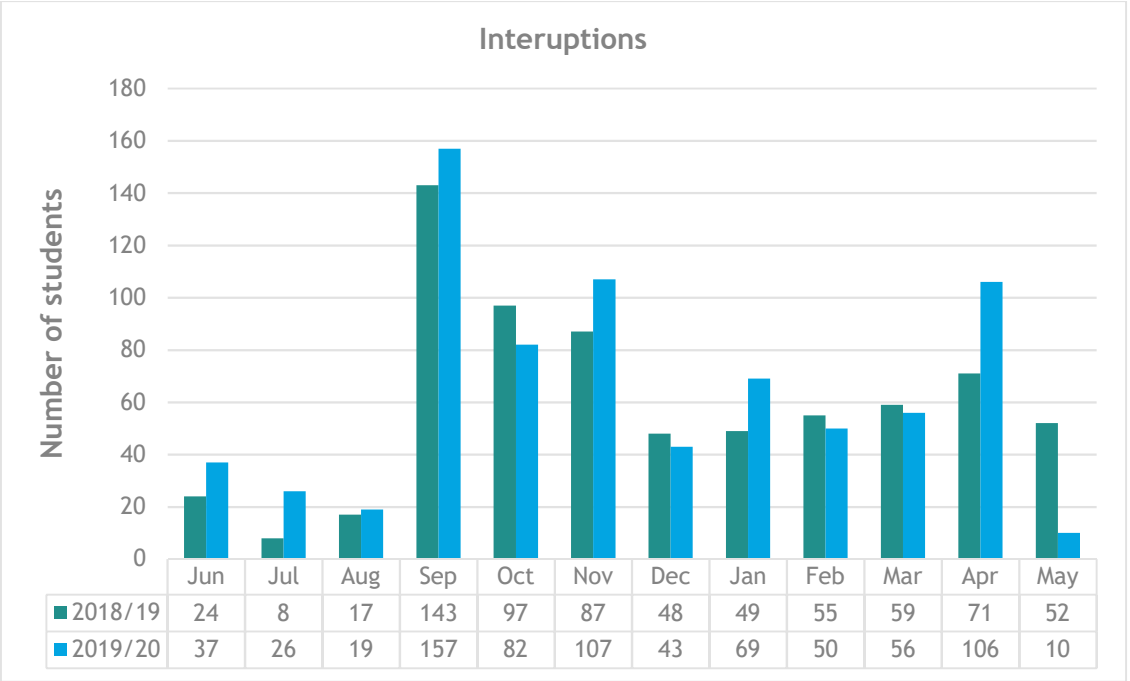
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WITHDRAWALS

Withdrawals

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
2018/19	10	11	8	28	83	114	86	39	56	78	86	44
2019/20	20	13	11	48	91	131	52	43	80	47	28	23

Withdrawals (% of enrolments)

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
2018/19	0.12%	0.13%	0.09%	0.33%	0.97%	1.33%	1.01%	0.46%	0.66%	0.91%	1.01%	0.51%
2019/20	0.21%	0.14%	0.12%	0.52%	0.98%	1.41%	0.56%	0.46%	0.86%	0.50%	0.30%	0.25%

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APPENDIX IV – DEFINITIONS

LEVEL OF ASSURANCE	DESIGN OF INTERNAL CONTROL FRAMEWORK		OPERATIONAL EFFECTIVENESS OF CONTROLS	
	FINDINGS FROM REVIEW	DESIGN OPINION	FINDINGS FROM REVIEW	EFFECTIVENESS OPINION
Substantial 🟢	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
Moderate 🟦	In the main there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non compliance with some controls, that may put some of the system objectives at risk.
Limited 🟠	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
No 🔺	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non compliance and/or compliance with inadequate controls.

RECOMMENDATION SIGNIFICANCE

High 🔺 A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.

Medium 🟧 A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.

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Low
● Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.

APPENDIX IV - TERMS OF REFERENCE

PURPOSE OF REVIEW:

The purpose of the audit is to provide assurance over the controls LSBU has in place to manage the quality of student enrolment, student engagement and attendance data and module data. We will also review the revised course change and interruption and withdrawal processes.

KEY RISKS:

Based upon the risk assessment undertaken during the development of the internal audit operational plan, through discussions with management, and our collective audit knowledge and understanding the key risks associated with the areas under review are:

- Enrolment data may be inaccurate
- Student engagement records are incorrect
- Student attendance records are incorrect
- Student course changes are not identified in a timely
- Changes in circumstances are not reported to the SLC in a timely basis
- Student module data is inaccurate or incomplete.

SCOPE OF REVIEW:

The following areas will be covered as part of this review:

Enrolment

- Policies and procedures to support the new online enrolment process
- Roles and responsibilities in the new online enrolment process
- Compliance with the online enrolment process to include pre-enrolment checks

Student engagement and attendance

- The new processes implemented to capture student engagement and attendance whilst the University is closed
- Reporting of student engagement/attendance and data quality processes

Course changes

- The new procedures to capture student course changes
- Authorisation by the school and student
- Updating of QLS
- Notification of the Student Loans Company

Withdrawals

- The new procedures to process interruptions and withdrawals
- Authorisation by the student
- Notification of the Student Loans Company

Module data

- Compliance with the procedures in relation to module choices and changes

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- Exception reporting of changes.

Whist carrying out this audit we will also follow up of the recommendations raised in the first student data audit.

However, Internal Audit will bring to the attention of management any points relating to other areas that come to their attention during the course of the audit. We assume for the purposes of estimating the number of days of audit work that there is one control environment, and that we will be providing assurance over controls in this environment. If this is not the case, our estimate of audit days may not be accurate.

WORK PERFORMED

Interviews were held with members of the registry, engagement, student administration and fees and bursaries teams to understand the key controls to safeguard the quality of student data and how these have changed since the last audit.

Where processes had changed, we sought to confirm whether they were appropriately documented and available to key stakeholders affected by the process change. We confirmed whether these processes were clear and currently operate as intended. Where processes had not changed, we confirmed whether existing processes were still operating effectively.

Specifically, for a sample of 15 students that had either enrolled or re-enrolled since 1 November 2019, we confirmed whether they had been enrolled using the enrolment form and whether status, identity, qualifications, criminal conviction and funding means had been checked prior to enrolment. Where relevant, we also confirmed whether their right to study had been confirmed. We confirmed whether the associated student data held in QLS, the student record system, was accurate and agreed to the enrolment forms.

We obtained the last three student engagement reports for each of the seven schools to confirm whether student engagement attendance was being monitored. We sought to confirm whether any engagement or attendance monitoring had been undertaken within the schools since the previous process was paused.

For a sample of 13 students who changed course since 1 November 2019, where applicable, we confirmed whether they had received approval from the new Course Director (or equivalent) and had their qualifications checked by the Registry team prior to changing course. We confirmed whether the change of course was accurately applied in QLS.

For 15 students that had interrupted or withdrawn from their studies since 1 November 2019 we verified whether the change had been approved by the Student Administration team. We confirmed whether this had been accurately processed in QLS and whether the student loans company (SLC) had been informed of the change in a timely manner.

For a sample of 15 students who had enrolled, we confirmed whether all mandatory modules had been appropriately assigned to them in QLS. Where optional modules had been selected for 12 students, we sought to confirm whether there was sufficient evidence to justify the choice. We sought to confirm whether module exception reports were being routinely produced.

As part of our review we also followed up internal audit recommendations raised in the previous student data audit. We also obtained data of student enrolments, course changes, interruptions and withdrawals between 1 June 2018 to 31 May 2020. We analysed this data to identify movements since last year and to identify whether the Covid-19 crisis has had a material impact on students interrupting or withdrawing from their studies. The results of this is set out in Appendix III.

The focus of the audit was on areas where we were informed the control environment had changed since the first student data audit and where issues were raised. The scope of this audit did not cover apprenticeships as a separate apprenticeships audit has recently been

LONDON SOUTH BANK UNIVERSITY, STUDENT DATA – CONTINUOUS AUDIT 2

conducted by BDO, as internal auditors. We also did not review system access to the student record system, QLS as there had not been any significant changes to this area since our last review.

FOR MORE INFORMATION:

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BDO

LONDON SOUTH BANK UNIVERSITY

INTERNAL AUDIT REPORT – FINAL ARC VERSION

LSBU FAMILY TRANSITION
SEPTEMBER 2020

LEVEL OF ASSURANCE	
Design	Operational Effectiveness
Substantial	Substantial

LONDON SOUTH BANK UNIVERSITY, LSBU FAMILY TRANSITION

DISTRIBUTION	
Fiona Morey	Executive Principal
David Phoenix	Vice Chancellor
REPORT STATUS LIST	
Auditors:	Jenny Obee
Dates work performed:	19 August - 9 September 2020
Draft report issued:	16 September 2020
Final report issued:	23 September 2020

LONDON SOUTH BANK UNIVERSITY, LSBU FAMILY TRANSITION

EXECUTIVE SUMMARY

LEVEL OF ASSURANCE: (SEE APPENDIX I FOR DEFINITIONS)

Design	🟢	There is a sound system of internal control designed to achieve system objectives.
Effectiveness	🟢	The controls that are in place are being consistently applied.

SUMMARY OF RECOMMENDATIONS: (SEE APPENDIX I)

High	🔺	
Medium	🟧	
Low	🟢	1

TOTAL NUMBER OF RECOMMENDATIONS: 1

BACKGROUND:

In January 2019 LSBU completed its acquisition of Lambeth College. This was the next stage in its 'Families of Education' vision (following the creation of South Bank Academies) to create a group of institutions which would support education and career pathways to benefit local people and employees in South London. The member institutions; Lambeth College, two academies and LSBU, would each continue to operate independently, with their own success criteria but would also look to align their course offerings to enable learners to move between them more easily and progress their careers, as well as employment opportunities.

In February 2019 a Transition Programme was set-up to review the professional services at the College and identify areas for improvement and synergies with equivalent teams at LSBU.

An executive group, TJEG (Transition Joint Executive Group), chaired by the Vice Chancellor met weekly to monitor progress and make key decisions. This was supported by a Senior Transition Lead who acted as the project manager. Ten professional services group areas (PSGs) were identified, each had a designated lead and action plan, and progress against actions were recorded in workbooks. PSG leads reported regularly to TJEG, three at each meeting, with a six weekly meeting where all attended. The Project Manager coordinated activities between the PSGs between meetings.

Line management responsibilities by LSBU managers for College staff for a number of PSG areas were identified and the new Group structure was implemented between August and December 2019.

The Transition Programme was ceased in December 2019, and outstanding actions became part of business as usual (BAU) processes in each PSG.

The purpose of the audit was to review of the progress LSBU Group is making against its transition plans. This included a review of TJEG and how professional services are working together to improve the services offered to the Group.

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KEY FINDINGS AND CONCLUSION:

The Transition Programme operated within a well-structured governance framework, supported by a dedicated project management resource and with clearly documented plans and progress reporting from each PSG area and of TJEG decisions. There were clear roles and responsibilities, risks were monitored throughout the Programme and mitigation actions tracked by TJEG. TJEG provided a central focus to ensure the programme stayed on track and supported the Group vision. A lessons learned process was carried out prior to the transition to business as usual and reported back to TJEG.

We have raised one finding around the oversight of milestones when the Programme moved to business as usual. There was an appropriate governance structure in place for the Transition Programme and a high degree of oversight and monitoring. However, the programme moved into business as usual the overall visibility around outstanding milestone actions was lost for a period. This was exacerbated by COVID 19 as the planned six month review was delayed and although the VC has received a status update as at July, progress will not be formally reviewed by the Executive and PSG leads until November 2020. This is mitigated by the VC's monthly one-to-one meetings with members of the Executive and the Executive Principal which enables high level progress to be tracked and there are BAU mechanisms for monitoring PSG area activities. However, there has been a loss of the consolidated picture of progress against milestones.

We are able to provide a substantial level of assurance around the design and effectiveness of the controls LSBU Group has in place to support its transition plans, including how PSGs are working together to improve the services offered to the Group.

OUR TESTING DID NOT IDENTIFY ANY CONCERNS SURROUNDING THE CONTROLS IN PLACE TO MITIGATE THE FOLLOWING RISKS:

✓ Lack of oversight and/or appropriate governance structure to oversee and monitor delivery of the Transition Programme

✓ Actions to address the risks identified as part of the acquisition of Lambeth College have not been appropriately managed through the transition and not embedded in business as usual activities

✓ Emerging issues that arise are not identified and/or appropriately managed

✓ Roles and responsibilities for the ongoing delivery of the Transition Programme have not been clearly assigned and/or understood

✓ Transition Programme delivery plans no longer align to the original aims/objectives and/or have lost sight of the original aims and objectives

✓ Lessons learnt are not identified.

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DETAILED FINDINGS

RISK: MILESTONE ACTIVITIES ARE NOT ACHIEVED, ALIGNED TO GROUP PRIORITIES AND/OR ARE NOT BEING MONITORED

Ref	Sig.	Finding
1	🟢	There was a gap in central monitoring of Transition Programme milestones when activities moved to business as usual (BAU).
		From January 2020, Transition Programme activities were subsumed into BAU processes which are monitored through departmental line management and executive review processes. There was a planned central review of progress against milestones, but this was not scheduled until July and was then delayed by two months due to COVID.
		There is a risk that the Executive does not have a consolidated picture of progress against milestone activities and that delays or conflicts are not managed to align with Group priorities.

RECOMMENDATION:

Monitoring structures should be agreed at the November milestones review meeting for ongoing monitoring of priority activities. This could include assigning priority levels and mapping activities to departmental roadmaps and/or the 2025 Strategy deliverables.

MANAGEMENT RESPONSE:

 An action plan with milestones by area was agreed as part of the move to BAU. Progress against key areas such as IT have been picked up in 1:1s but the program may have benefited from an overview meeting with key stakeholders at Easter as well as the meeting planned for July. Progress against actions was collated in August and reviewed in September and shows good progress. Leads have identified additional actions for the next 6 months/academic year. Leads have been tasked with reviewing any proposed actions from sept 2020-21 to ensure they warrant central oversight and align with roadmaps. Review meetings will occur early November and early February after which it is envisaged that oversight through directors will be appropriate.

Responsible Officer:	D Phoenix
Implementation Date:	Actioned

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OBSERVATIONS

LESSONS LEARNED

A lessons learned review was carried out in November 2019 with members of TJEG and PSG leads as part of the project close process. The University may want to consider refreshing this as part of the November 2020 milestones review process in light of the move to BAU. Any learning could be reported to the Executive to ensure lessons are captured and available to be referred to for any future acquisitions.

NEW LINE MANAGEMENT STRUCTURES BETWEEN THE COLLEGE AND LSBU

Where there are clear line management responsibilities between LSBU and the College, for example Health and Safety, Estates ICT, the integrated management structure is working well.

There are challenges where PSG functions do not align completely between the College and the University, where a College department is responsible for a number of services for example Admissions and Marketing, which are managed by separate departments at the University. There are also functions where the degree if integration is still to be determined eg Student Services. The Executive is aware of these complexities and keeping them under review.

A Target Operating Model (TOM) which defines the level of integration across the Group is being introduced and has been agreed for the top two tiers of management. It is intended to address the remaining areas of complexity as the TOM is extended to other management tiers.

GOOD PRACTICE

We found a number of examples of good practice during our review:

- There was a clear governance structure in place which had been well documented. There was a Project Initiation Document for the Programme, terms of reference had been approved and there were meeting minutes for the TJEG meetings. The Programme was facilitated by a designated project manager who liaised with PSG teams to create milestone reports for each TJEG meeting and supported cross team communications.

- Executive membership of TJEG provided visibility to the University of this critical project and enabled interdependencies between PSGs to be understood and managed effectively.

- The frequency of PSG and TJEG meetings fostered forward momentum and enabled significant risks, such as the health and safety issues at the College to be responded to promptly.

- The integration of line PSG line management roles and the PSG approach has encouraged the transition to an increased Group mindset. This is being enhanced by the new 2025 Group strategy.

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STAFF INTERVIEWED

BDO LLP APPRECIATES THE TIME PROVIDED BY ALL THE INDIVIDUALS INVOLVED IN THIS REVIEW AND WOULD LIKE TO THANK THEM FOR THEIR ASSISTANCE AND COOPERATION.

Ruth Arrola	Health and Safety Manager
Ben Baker	Group Health and Safety Manager
Alison Chojnaa	Acting Executive Director of Academic Related Resources (IT)
Richard Duke	Director of Strategy and Planning
Mark Horton	Estates & Technician Manager: Science & Dental Technology
Paul Ivey	Deputy Vice-Chancellor (Innovation) and Chief Business Officer
Nicole Louis	Chief Customer Officer - LSBU Group
Fiona Morey	Executive Principal, Lambeth College
David Phoenix	Vice Chancellor
Richard Poulson	Deputy Director of Estates
Natalie Richardson	PA, People and Organisational Development

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APPENDIX I – DEFINITIONS

LEVEL OF ASSURANCE	DESIGN OF INTERNAL CONTROL FRAMEWORK		OPERATIONAL EFFECTIVENESS OF CONTROLS	
	FINDINGS FROM REVIEW	DESIGN OPINION	FINDINGS FROM REVIEW	EFFECTIVENESS OPINION
Substantial 🟢	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
Moderate 🟦	In the main there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non compliance with some controls, that may put some of the system objectives at risk.
Limited 🟧	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
No 🔺	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non compliance and/or compliance with inadequate controls.

RECOMMENDATION SIGNIFICANCE

High 🔺	A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.
Medium 🟧	A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.
Low 🟢	Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.

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APPENDIX II - TERMS OF REFERENCE

PURPOSE OF REVIEW:

The purpose of the audit is to review of the progress LSBU Group is making against its transition plans. This will include review of the Transition Group and how professional services are working together to improve the services offered to the Group.

KEY RISKS:

- Lack of oversight and/or appropriate governance structure to oversee and monitor delivery of the Transition Programme

- Actions to address the risks identified as part of the acquisition of Lambeth College have not been appropriately managed through the transition and not embedded in business as usual activities

- Emerging issues that arise are not identified and/or appropriately managed

- Roles and responsibilities for the ongoing delivery of the Transition Programme have not been clearly assigned and/or understood

- Transition Programme delivery plans no longer align to the original aims/objectives and/or have lost sight of the original aims and objectives

- Milestone activities are not achieved, aligned to Group priorities and/or are not being monitored

- Lessons learnt are not identified.

SCOPE OF REVIEW:

The following areas will be covered as part of this review:

- Governance arrangements including the role of TJEG
- Delivery of transition risks through to business as usual activities
- Identification and management of emerging issues
- Roles and responsibilities for the ongoing delivery of the Transition Programme
- Alignment of delivery plans against aims and objectives
- Monitoring of milestones
- Lessons learnt.

However, Internal Audit will bring to the attention of management any points relating to other areas that come to their attention during the course of the audit. We assume for the purposes of estimating the number of days of audit work that there is one control environment, and that we will be providing assurance over controls in this environment. If this is not the case, our estimate of audit days may not be accurate.

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APPROACH:

Our approach will be to conduct interviews to establish the controls in operation for each of our areas of audit work. We will then seek documentary evidence that these controls are designed as described. We will evaluate these controls to identify whether they adequately address the risks.

We will seek to gain evidence of the satisfactory operation of the controls to verify the effectiveness of the control through use of a range of tools and techniques.

A desktop exercise will be carried out to review documentation relating to the governance arrangements and oversight and programme documentation.

Through interviews with members of the TJEG and a sample of professional service areas we will assess whether the aims and objectives of the Transition programme are clearly agreed, understood, communicated and documented, including how programme areas and priority themes were selected and how these align with group objectives. We will also assess whether actions to manage the initial risks identified are being delivered through business as usual activity. This will include assessing how management structures set up within the professional service areas are working in practice.

We will assess how emerging issues are captured and addressed and whether there are clear decision making and reporting arrangements for these.

We will assess whether intended benefits have been defined and measured, and whether the Group is on track to deliver these as intended.

We will also assess whether lesson learnt are being captured in the event of future acquisitions.

WORK UNDERTAKEN

We interviewed key staff including the Vice Chancellor, Executive Principal and a sample of two PSG and two Executive leads to understand the effectiveness of the governance arrangements, risk management and monitoring of milestone actions for the Transition Programme. Through our interviews we also considered whether roles and responsibilities were clearly assigned and understood and how the delivery plans aligned with the aims and objectives of the Programme.

We reviewed key project documentation such as terms of reference, TJEG minutes, milestones reports and PSG workbooks and for a sample of three PSG areas tested whether there was alignment between the milestones report and workbooks and between progress reports and TJEG minutes.

We reviewed the 2025 strategy and proposed KPI paper to understand how ongoing delivery of the Group vision will be monitored.

We drew on recent interviews with PSG staff at the College and LSBU for other audits carried out and our interviews with TJEG members and PSG leads to assess how well the new Group management structure is working in delivering improved services to the Group.

We assessed the lessons learned process and sought feedback during interviews on any additional lessons learned.

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