Meeting of the Group Audit and Risk Committee

4.00pm on Thursday, 11 February 2021
via MS Teams

*3.00pm Chair's briefing; 3.20pm committee only pre-meet;
3.40pm pre-meeting with the auditors
All via MS Teams

Agenda

No.	Item	Pages	Presenter
1.	Welcome and apologies		DB
2.	Declarations of interest		DB
3.	Minutes of the previous meeting	2 – 9	DB
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5.	Cyber security update	15 – 27	NL
	Internal audit		
6.	Internal audit progress report	28 – 34	BDO
7.	Internal audit follow-up report	To follow	BDO
8.	Internal audit: financial information, cash flow and bank covenants	35 – 36	RF
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	Matters to note		
14.	Data protection report • Report on ICO recommendations	53 – 56	JS

Date of next meeting
4:00, Thursday 15 June 2021

Members: Duncan Brown (Chair), John Cole, Mark Lemmon and Rob Orr

In attendance: David Phoenix, Alison Chojna (item 5 only), Natalie Ferer, Richard Flatman, Kerry Johnson, Nicole Louis and James Stevenson

Internal auditors: Ruth Ireland, Gemma Wright (BDO)

On stand-by: Ed Spacey (item 4 only)

Supplement one – full internal audit reports:
- Financial information, cashflow and bank covenants
- UUK code compliance
- Coronavirus response

Supplement two: subsidiaries update
- SBA Human resources internal audit report
- SBA Audit Committee draft minutes, 3 December 2020 and 8 December 2020
- SBC apprenticeships internal audit report
- SBC Audit Committee draft minutes, 3 November 2020

**Minutes of the meeting of the Group Audit and Risk Committee
held at 3.30 pm on Thursday, 5 November 2020
via MS Teams**

Present
Duncan Brown (Chair)
John Cole
Mark Lemmon
Rob Orr

In attendance
David Phoenix
Natalie Ferer
Richard Flatman
Kerry Johnson
Nicole Louis
James Stevenson

Fleur Nieboer (KPMG)
Jessie Spencer (KPMG)
Ruth Ireland (BDO)
Gemma Wright (BDO)

Observer
Michael Cutbill

1. **Welcome and apologies**

   The Chair welcomed members to the meeting.

   No 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 6 October 2020 and their publication as redacted, subject to minor amendments.

4. **Matters arising**

   <u>UKVI Tier 4 update</u>
   The committee noted the update on actions taken following the internal audit of UKVI tier 4 compliance. The Chief Customer Officer confirmed that work was on track to complete all actions by the end of December 2020. An update would be provided to the next meeting.

<u>Cyber security update</u>
The committee noted the update on progress made against the actions identified in the internal audit of cyber security. At its meeting of 29 October 2020, the Major Projects and Investment Committee had given its approval for phase one of the network replacement work to commence, which was part of the mitigation plan. An update would be provided to the next meeting.

<u>Student advice and behaviours</u>
The committee noted that there had been no coronavirus-related health and safety breaches by students.

<u>TRAC/TRAC(T) process review</u>
The Chief Financial Officer updated the committee on the work to improve the TRAC and TRAC(T) processes. The committee noted that the TRAC submission date had been changed alongside the other OfS reporting deadlines, with the return now due by 31 March 2021 or within 30 days of submission of accounts. The TRAC report would be brought to the 11 February 2021 meeting for approval.

All other matters arising were noted as having been completed or in progress.

5. **Internal audit progress report**

The committee noted the internal audit progress report. The internal audit on the University's coronavirus response was in the process of being finalised, and would be circulated to the committee electronically when ready.

6. **Internal audit: apprenticeships**

The committee noted the internal audit report on apprenticeships, which provided a moderate level of assurance for both the control design and operational effectiveness. Two medium risk and one low risk recommendations had been made.

7. **Internal audit: risk management maturity**

The committee noted the review of risk management maturity across the LSBU Group. The review was intended to provide a baseline of maturity and a direction of travel, and provided a target of a 'managed' maturity level across the Group by 2022. The committee noted that further risk management training would be beneficial across the Group.

8. **Internal audit annual report (final)**

The committee noted the final internal audit annual report from BDO, as discussed at the meeting of 6 October 2020. The report had been revised in order to clarify the annual opinion, which was "generally satisfactory with improvements required in some areas". The committee confirmed that it was now comfortable with the revised annual opinion.

BDO confirmed that their five-yearly external quality assurance report had been delayed due to the pandemic and that the results would be circulated to the committee in due course.

9. **External Audit Findings**

The KPMG external audit partner presented the audit findings for the year ending 31 July 2020. The committee noted that the audit was substantially complete pending the finalisation of some outstanding items. The partner expected to issue an unqualified opinion, subject to the successful conclusion of the discussion regarding pension assumptions. There was one significant finding related to bank reconciliations; it was noted that remedial work to address this was underway.

The external audit partner confirmed that there were no significant risks to bring to the committee's attention, that the external auditors had no concerns around the use of funds, and that they were satisfied that the accounts were prepared on a going concern basis.

The committee noted that the accounts of South Bank Colleges (SBC), South Bank University Enterprises Ltd (SBUEL) and SW4 Catering Ltd (SW4) were consolidated into the LSBU accounts. The external audit findings report covered the audits for LSBU, SBC, SBUEL and SW4.

The external audit partner confirmed KPMG's independence from LSBU Group companies.

The committee noted that the final external audit report would be available for the Board meeting of 19 November 2020.

{Secretary's note: subsequent to this meeting, the external audit report was presented at an adjourned meeting of the Board on 25 November 2020.}

10. **External Audit letter of representation**

The committee discussed the draft letter of representation to the auditors for the LSBU Group accounts, which was recommended to the committee by the Executive.

The committee noted that the draft letter contained two representations specific to the LSBU group, relating to a pre-action claim received by SBC, and to a number of ongoing court cases relating to the University. Members of the Executive present confirmed that to the best of their knowledge and belief, no provision was necessary in respect of these claims.

The members of the Executive present confirmed to the committee that all information that should have been disclosed to the auditors had been disclosed to the auditors.

The committee recommended that the letter of representation be signed by the Chair of the Board of Governors at its meeting of 19 November 2020.

11. **External audit performance against KPIs**

The committee noted that KPMG, the external auditors, had met or mostly met their agreed key performance indicators (with some indicators still to be confirmed) and there were no concerns during the course of the audit.

The committee noted that, due to the coronavirus pandemic, conducting the audit had been more challenging than usual during 2019/20, and thanked KPMG for its work on the audit.

12. **Draft Annual Report and Accounts 2019/20**

The committee reviewed the draft report and accounts for 2019/20. The annual report had been restructured to align the narrative more closely to the LSBU strategy and to bring the structure in line with the wider sector.

The committee noted the outstanding matters, including revisions to pension disclosures. In response to a governor's question, the CFO confirmed that the note on lending included the Barclays loan novated from Lambeth College and the revolving credit facility.

The committee noted that a near final version of the accounts would be circulated by email for review prior to the Board meeting on 19 November 2020.

The committee thanked the Finance team for preparing the accounts.

{Secretary's note: subsequent to this meeting, the accounts were presented at an adjourned meeting of the Board on 25 November 2020.}

13. **Going concern statement**

The committee discussed the 2019/20 going concern statement for inclusion in the annual accounts and requested further assurance from the CFO. The CFO reported that the Executive continued to model all likely scenarios. Currently, with the RCF in place, there was sufficient cashflow to meet all commitments. Further discussions with other sources of loan finance were also continuing. KPMG had reviewed liquidity and had not raised any concerns.

The Chair of the Finance, Planning and Resources Committee (FPR) confirmed that FPR had considered the University's cashflow in detail throughout 2020 as well as the five year forecasts.

The Secretary advised the committee that there was no formal requirement in the terms of reference for it to report specifically on going concern to the Board of Governors.

The CFO agreed to provide a more detailed and referenced annotation of the going concern statement in order to provide assurance to the Board at its meeting of 19 November 2020.

14. **Public benefit statement**

The committee noted the draft public benefit statement for inclusion in the annual report and accounts, as required for all charities.

15. **Corporate governance statement**

The committee noted the draft corporate governance statement 2019/20, which demonstrated how LSBU complied with the CUC Corporate Governance Code and the OfS Public Interest Governance principles. The statement would form part of the annual report and accounts.

16. **Group Audit and Risk Committee Annual Report**

The committee approved the draft Group Audit and Risk Committee annual report and opinions addressed to the Board, subject to minor amendments. The final report, when signed by the Chair of the Group Audit and Risk Committee, would be submitted to the OfS.

17. **Modern Slavery Act Statement**

The committee supported the Modern Slavery Act statement proposed by the Executive for 2019/20 to the Board, subject to further consideration of overseas risks.

18. **Prevent Annual Return**

The committee recommended to the Board for approval the Prevent annual return, including the required statement of assurance to the OfS.

19. **Pension assumptions**

The committee discussed in detail the set of pensions assumptions tailored for the LSBU Group, which included increases to RPI, CPI, salary and pension and the assumed discount rate of 1.5%.

In addition, a documented annual process would be followed by management to ensure consistency year on year.

The committee agreed to support evidence-based changes to the assumptions in the range "cautious" to "balanced", subject to any final amendments being circulated to the committee for approval. The committee also approved the annual process of agreeing these assumptions. KPMG's offer for their in-house actuary to speak to Barnett Waddington was welcomed.

20. **Internal controls annual review of effectiveness**

The committee reviewed the annual review of effectiveness of internal controls, as discussed at its meeting of 15 October 2020.

The committee approved the compliance statement on internal control for inclusion in the annual report and accounts, subject to minor amendments.

21. **Data assurance report**

The committee noted the report on data assurance, which outlined the formal data assurance policy and processes that were in place at the University.

22. **Financial regulations**

The committee reviewed the amendments to the financial regulations, which included changes to reflect the structure and organisation of the LSBU Group. The CFO clarified the budgeting process in response to a governor's question.

The committee approved the amendments and the move to Group financial regulations.

23. **Data protection report**

The committee noted the update on data protection breaches. There had been three incidents involving breaches of personal data since the previous meeting, one of which was reportable to the ICO.

The committee noted the actions being taken to address the reportable data breach. The Executive was considering whether to formalise sanctions for avoidable data breaches, and a mandate to password protect files would be introduced for those teams who deal with student data in Student Services.

The importance of culture and training was noted. An update on the reportable breach would be provided to the committee once a response was received from the ICO.

24. **Anti-fraud, bribery and corruption report**

The committee noted that there were no new instances of fraud, bribery or corruption arising in the period since the committee had last met.

25. **Speak up report**

The committee noted that no new speak up cases had been raised since the previous meeting.

The committee noted the update on the speak up case involving alleged fraud. The case involved an application for a business support grant on behalf of a tenant, who was not eligible for the grant. The committee noted that no fraud appeared to have taken place.

26.   **Reportable events update**

The committee noted that there had been no reportable events in the period since the committee last met.

27.   **Committee business plan**

The committee noted the 2020/21 business plan. The committee requested that an annual detailed review of the risk register be added to the plan for October, and requested that an item on pension assumptions be added to the June 2021 meeting.

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

The committee noted that the annual report and accounts, external audit findings and letter of representation, GARC annual report, Modern Slavery Act statement, Prevent annual return and going concern would be reported to the appropriate Board meeting.

Date of next meeting
4.00 pm, on Thursday, 11 February 2021

Confirmed as a true record

_____ (Chair)

GROUP AUDIT AND RISK COMMITTEE – THURSDAY 5 NOVEMBER 2020

ACTION SHEET

Agenda No	Agenda/Decision Item	Action	Date Due	Officer	Action Status
4.	Matters arising	Update on actions taken following the internal audit of UKVI tier 4 compliance to be provided to the next meeting.	11 February 2021	Nicole Louis	Complete: see agenda item 7.
4.	Matters arising	Cyber security update to be provided to the next meeting.	11 February 2021	Nicole Louis	Complete
4.	Matters arising	TRAC report to be brought to next meeting for approval.	11 February 2021	Richard Flatman	Update under agenda item 12
5.	Internal audit progress report	Internal audit report on the University's coronavirus response to be circulated to the committee when finalised.	December 2020	Natalie Ferer/Kerry Johnson	Complete: circulated to committee on 15 December 2020
12.	Draft annual report and accounts 2019/20	Near final version of accounts to be circulated by email for review prior to the Board meeting on 19 November 2020.	19 November 2020	Richard Flatman	Complete: circulated to committee on 12 November 2020
13.	Going concern statement	CFO to provide a more detailed and referenced annotation of the going concern statement to the Board on 19 November 2020.	19 November 2020	Richard Flatman	Complete
23.	Data protection report	Update on the reportable breach to be provided to the committee once a response was received from the ICO.	November 2020	James Stevenson	Complete: update to Chair provided on 12 November 2020. See agenda item 15 for further update.
27.	Committee business plan	Annual detailed review of the risk register to be added to the plan for October, and item on pension assumptions to be added to the plan for June.	November 2020	Kerry Johnson	Complete.

Paper title:	Covid Update
Board/Committee:	Group Audit and Risk Committee
Date of meeting:	11 February 2021
Author(s):	Ed Spacey, Director of Group Assurance
Sponsor(s):	James Stevenson, Group Secretary
Purpose:	For information
Recommendation:	The committee is requested to note the update on issues surrounding coronavirus.

Executive summary

UCEA commissioned Eversheds Solicitors to produce a sector report to outline how covid risks should be minimised. LSBU continues to take steps which meet the requirements of this report.

LSBU
EST 1892

Covid update to the Group Audit and Risk Committee

1.0 Background and purpose

1.1 To update the committee on Covid 19 issues, including mitigating risks and progress on asymptomatic testing.

2.0 Mitigating Risks

2.1 On 13 January the Executive reviewed a sector report by Eversheds Solicitors commissioned by UCEA, which looked at the potential grounds an HEI could face prosecution for failing to mitigate the risks from covid 19.

2.2 There are risks of both criminal prosecution and civil claims by a student or member of staff for negligence (tort). The information identified by Eversheds mitigate the risks of both. LSBU are continually taking steps to reduce liability in both instances.

2.3 A strong focus of the report is the need to have a structure in place to ensure suitable and sufficient risk assessments, and to respond appropriately to ever changing Government Guidance. LSBU has such a structure.

2.4 The report is clear that risk cannot be eliminated completely, and to attempt to do so entirely would not be feasible. No environment is 100% risk free, but we can do what is reasonably practical in the circumstances to reduce risk.

2.5 The risk of covid transmission is widespread within the general population. The report highlights to attempt to prove it arose from an employers direct actions/inaction would be difficult.

2.6 In the case of an employee or student death from Covid, in theory this could potentially lead to a charge of corporate manslaughter. However, this would mean that there would have to have been a gross breach of a duty of care. Examples would be no consideration of having any Risk Assessments, or in spite of direct advice to the contrary to insist on face to face tuition/onsite activity, directly against national guidance, where a high risk is evident. The above is not the case for LSBU, where a structured approach exists and is well documented.

3.0 LSBU strengths

3.1 We have an established system of:

- Standardised Risk Assessment Document Format;
- Specific Building Risk Assessment for each Building;

- Activity Based Risk Assessments;
- Documented Consultation Process agreed by Trade Unions;
- Personal Circumstances Risk Questionnaire + OH Referral process;
- Online Return to Campus Training;
- Guidance documents made available to staff and students and regular communications;
- BDO positive audit of our structured project management/decision making approach;
- Previous covid safe campus walk arounds by Health Safety and Resilience, accompanied by EAE and Union representatives;
- Partnership working with Local Director of Public Health;
- Safezone Track and Trace App;
- Support structure for Students in Halls who have to self isolate.

3.2   On this basis, the executive concluded that mitigation of this risk continued to be appropriate. The executive also requested that operational risk owners review their risk assessments (see below).

4.0   Risk Assessment Review

4.1   It is important that Risk Assessments are reviewed regularly, in order that they reflect the latest issues and situation, especially as we know the virus is now transmitting much easier. (This is not the same as saying every Risk Assessment has to be completely written again).

4.2   All Covid Risk Assessment Owners are currently carrying out such a review, with a deadline of 5 February.

4.3   LSBU has 206 Covid Risk Assessments in place which require review. As of 28 January, 18% of these reviews have been submitted and quality assured. It is expected that the bulk will be submitted in the week commencing 1 February.

4.4   There is a process in place for follow up of any risk assessments reviews which are outstanding after 5 February, and data will be reported back to the Executive

5.0   Asymptomatic Testing Update

5.1   LSBU continues to operate a lateral flow testing centre, in accordance with DHSC procedures. From 4 to 28 January 1510 tests were conducted, of which only 12 were positive. The centre also supports the University College of Osteopathy, the London School of Osteopathy and Kaplan International College, at the request of the DHSC.

5.2   We have submitted an expression of interest to be part of a DHSC pilot scheme, to offer PCR covid tests at the same time as the lateral flow tests. We are currently awaiting notification of the result.

6.0 OfS request on consumer protection, communication and quality

6.1   The OFS letter of 14th January asks us to undertake a review during the 'first half of the spring term' of three areas: consumer protection; student communication; and our internal regulatory approach to safeguarding progression and the standard of our degrees. The results should be held by the institution (rather than returned to OFS). However, OFS require that we inform them if there are compliance risks; consider refunds or redress if we have not delivered as promised; and keep records in case of future cases.

6.2   The consumer protection element draws on many of the expectation setting and audit activities that we have already carried out in semester 1 (the audit of courses and course directors; and the mid-semester evaluation of students' experiences). We had intended to repeat these in semester 2 and this will support the OFS request. As such we will be in a good position with existing provision, and risks may only emerge around the impact of continuation of lockdown on practical based courses.

6.3   The Communication aspect of the review requires us to look at evidence of effective communication to students about: changes to teaching and learning; options for complaints, refunds and redress; and options for them in terms of completion of studies. At the start of semester 1 there was a strong set of activity in this space. The review prompts us to consider how we refresh this communication.

6.4 The final element is to review our regulatory approach in terms of our degree awarding regulations. We have adopted clear approaches (to 19/20 and 20/21), involving key stakeholders. For 2019/20, we carried out both an equalities impact assessment and a full review of the impact. The review prompts us to set out our evaluation strategy for 20/21 (to be used when the year completes).

6.5   We are completing our plans for the review and broadly expect to complete it by mid-March.

Paper title:	Cyber Security Update
Board/Committee:	Group Audit and Risk Committee
Date of meeting:	11 February 2021
Author(s):	Alison Chojna, Acting Executive Director of Academic Related Resources
Sponsor(s):	Nicole Louis, Chief Customer Officer
Purpose:	For Information
Recommendation:	For the committee to note the information provided.

Executive summary

This paper provides an update on progress made against the actions identified in the BDO cyber security audit and on the progress of the restoration and recovery plan following the cyber incident on 20th December 2020.

Appendix A: Finance systems update (for information)
Appendix B: HR systems update (for information)

Cyber Security Update 22 January 2021

1.0   Purpose

1.1   To provide the Group Audit and Risk Committee with an update on progress against the recommendations identified in the BDO audit and progress on systems recovery following the cyber security incident on the 20th December 2020.

2.0   IT Security Governance

2.1   An IT Security and Resilience Board (ISRB) has been in place since 30/10/2020 and is meeting on a 6-weekly basis.

2.2   KPIs are being tracked through the ISRB on measures such as frequency of patching, network availability, number of intrusion attempts, training session completion and IT outages.

2.3   A Technical Security Officer (TSO) is currently being recruited to bolster the security expertise across the Group. The position will be advertised as soon as the recruitment system are back online, with the expectation of having someone in post by end April 2021.

3.0   Password policy and complexity increase

3.1   Password expiry has now changed to 180 days across the Group.

3.2   Password complexity has been increased at both LSBU and SBA. The new complexity level requires a 10 character password with a range letter, number and special characters.

3.3   A bulk password reset was triggered at LSBU on Monday 11th January 2021. The timing of the re-set was brought forward following the cyber incident. A new self-service password tool was introduced for students and staff, with heightened security and ease of use. Almost all staff have completed the process, with students expecting to complete on w/b 25th January 2021 due to the start of semester 2.

3.4   SBC is in the planning stages for increasing password complexity, primarily focussing on supporting students through the change.

4.0   Network segmentation

4.1   A series of network design workshops have taken place with the incumbent network managed service provider.

4.2   MPIC has approved funding for Phase One of the network refresh programme which will be completed by summer 2021. Hardware orders have been placed and the project is on track to deliver for the London Road development.

4.3   New firewalls have been purchased ahead of the other equipment and have now arrived onsite, ready for installation.

4.4   Network segmentation is being introduced as part of the cyber incident recovery process at LSBU. As services are restored, they are being segmented into new network zones.

5.0   Back-up policy

5.1.   LSBU has invested in a new and enhanced back-up solution which will bring it in line with best practice standards, which advises storing 3 copies of backups, on 2 different media, 1 of them being offsite. The frequency of back-ups has also been brought in-line with best practice. The new solution will be in place by 05/02/2021.

5.2   SBC had existing offsite back-ups and SBA have now also introduced an offsite back-up solution. As contracts expire, we will look to align the 3 solutions if the technology is appropriate for each entity.

6.0   Anti-virus and security monitoring

6.1   LSBU has subscribed to a next generation anti-virus solution (Sophos Intercept X) which will be a requirement for users to connect to the network. As well as a software product, the solution comes with a 24/7 security operations centre (SOC), which will monitor for threats and proactively block any suspicious activity. This will be in place from 29/01/2021.

 Key product benefits are:
- Stops never seen before threats with deep learning AI
- Blocks ransomware and rolls back affected files to a safe state
- Prevents the exploit techniques used throughout the attack chain
- Answers critical IT operations and threat hunting questions with EDR
- Provides 24/7/365 security delivered as a fully managed service
- Easy to deploy, configure and maintain even in remote working environments

6.2   The E2E perimeter vulnerability scanning solution used by LSBU has now been extended to both SBC and SBA. The vulnerability scanner looks for known security holes in the internet facing perimeter of the IT environment and then flags them for remediation. The scan takes place weekly.

7.0   Restoration of IT Systems and Services at LSBU

7.1   Estates security systems have been brought back online and are currently with the vendors to complete final configuration work.

7.2   Moodle, Panopto and Library Resources are now available for students.

7.3   The core elements of the student records systems are expected to be available from end of January, with the HR and Finance systems to follow shortly afterwards.

7.4   All systems are being patched to the latest security levels before restoration. Role-based access to systems is being enforced, to ensure only those you require access have the relevant permissions, including IT staff.

Restoration Timeline

Milestone	Expected Date	Commentary
Start next phase of staff **device cleaning/monitoring** solution installation.	15/01/2021	Original date 08/01/2021. Likely to take 2-3 weeks.
QL core service restored, cleaned and transitioned into production (live).	01/02/2021	Core elements have been restored. Enabling Registry access to start testing this week.
Apps Anywhere restored, cleaned and transitioned into production.	02/02/2021	Servers restored and scrubbed.
Start rebuild **VxRail**	03/02/2021	Estimated two weeks build. Needed to extract remaining forensic data first.
Sophos Intercept X deployed on all servers and begin device rollout.	05/02/2021	Crowdstrike has been extended for 2 weeks to allow more time to deploy Sophos. Required on all PCs, macs and laptops before network can be opened back up.
Restore **ISIM** identity manager to provision new staff and student accounts.	05/02/2021	Delays with outsourced partner who have estimated 9 days of work. Meeting with MD today to raise concerns.
Itrent HR and Payroll restored, cleaned and transitioned into production.	05/02/2021	Original date 15/01/2021. Works are now underway.
Agresso and VT2000 restored, cleaned and transitioned into production.	08/02/2021	Original date 20/01/2021. 4/4 servers restored. Scrub not started yet.
Telephony restored, cleaned and transitioned into production.	10/02/2021	Quotes received for works required.
Global Protect VPN rolled out.	10/02/2021	Full roll out can only occur following device scrub.
I-Drive and other File servers restored, cleaned and transitioned into production.	12/02/2021	4/14 servers restored or in progress. Scrub not started yet.
MyLSBU restored, cleaned and transitioned into production.	12/02/2021	25/25 servers restored. 2/25 scrub in progress.
Maximiser restored, cleaned and transitioned into production.	12/02/2021	1/1 server restored. Scrub not started yet.
KX (Accommodation) restored, cleaned and transitioned into production.	12/02/2021	2/2 servers restored. Scrub not started yet.
OurLSBU restored, cleaned and transitioned into production.	15/02/2021	2/2 servers restored and scrubbed.
Wi-Fi restored, cleaned and transitioned into production.	19/02/2021	2/2 servers restore in progress.

Restoration Timeline

Milestone	Due Date	Commentary
Printing restored, cleaned and transitioned into production.	19/02/2021	7/7 servers restored. Scrub not started yet.
SID restored, cleaned and transitioned into production.	22/02/2021	Restore not started yet.
Cognos restored, cleaned and transitioned into production.	24/02/2021	3/3 servers restored or in progress. 1/3 scrub in progress.
CMIS restored, cleaned and transitioned into production.	28/02/2021	7/7 servers restored and scrub.
QL associated apps restored and transitioned into production.	28/02/2021	Planning underway.
Connectivity restored to campus	TBC	
All systems restored.	31/03/2021	

Completed Tasks

Milestone	Due Date	Commentary
Priority A systems agreed and prioritised	17/12/2020	Tier 0 IT services and Tier 1 Priority A applications agreed with sub-set of ROG.
New servers delivered to site and built	20/12/2020	Awaiting additional storage discs.
Confirm whether backups recoverable	20/12/2020	Complete
Intruder system restored ahead of scrub	21/12/2020	Complete
Scrubbing **scripts** provided by CyberClan.	23/12/2020	All 3 scripts provided on 23/12/2020.
Storage discs to be installed.	23/12/2020	Complete
Priority users identified for **device cleaning/monitoring** solution.	24/12/2020	Staff supported to install necessary software whilst SCCM (mass deployment method) is brought back online.
Meeting with new external supplier to plan **Moodle** restoration.	29/12/2020	Positive meeting with plans for new, simplified architecture and data migration.
Initial meeting with Unit4 for **QL** restoration.	29/12/2020	Support agreed.
Initial restore batches run overnight and available in the landing zone	29/12/2020	Complete
Scrubbing zone network segmentation in place and functioning	23/12/2020	Additional vlans in place so multiple scrubbing can happen simultaneously.
Internet connectivity in place for **Covid Testing spaces**.	04/01/2021	Limited internet connectivity to NHS site needed.
Production zone in place with secure access for priority users.	29/12/2020	Complete
AD, ADFS and AADC restored	10/01/2021	Complete

Completed Tasks

Milestone	Due Date	Commentary
Password reset for students and staff.	11/01/2021	Complete
Direct log-in access to **Panopto** available	13/01/2021	Tier 0 services now in place and set-up underway.
Intruder alarm (Prowatch) scrubbed and transitioned into production (live).	14/01/2021	Handed over to EAE to complete.
Shibboleth authentication re-established	15/01/2021	Complete
Salto system restored, cleaned and transitioned into production.	22/01/2021	Handed over to EAE to complete. New servers now required.
CCTV restored, cleaned and transitioned into production.	22/01/2021	Currently in production area to handover to EAE.
Moodle and **Turnitin**, restored, cleaned and transitioned into production.	26/01/2021	Need to plan for hosted solution further down the line.
Ensure **Aula** is accessible to all students on the pilot.	26/01/2021	Investigating both password reset and authentication issues.
Havering Library computers scrubbed and internet connectivity re-established.	27/01/2021	Havering Library to reopen on 27/01/2021.
Change **Haplo** authentication route to ADFS.	28/01/2021	Temporary workaround was not considered secure so awaiting Moodle completion before staffing resource can be freed up.
New servers provisioned for **Salto**.	28/01/2021	New servers required for Salto upgrade.

	CONFIDENTIAL
Paper title:	Finance Systems Recovery
Board/Committee:	Group Audit and Risk Committee
Date of meeting:	11 February 2021
Author(s):	Natalie Ferer – Group Financial Controller
Sponsor(s):	Richard Flatman – Group CFO
Purpose:	For Information
Recommendation:	The Committee is requested to note the report

1. Summary

As a result of the Cyber incident, Finance Systems have not been available.   As a result, we have not been able to maintain normal accounting and payroll records since December 13th, including records held on the main finance system Agresso, the student sales ledger on QL and on the HR/Payroll system, iTrent.

This paper is to set out the plan for restoring Financial and payroll records, the workarounds we have put in place to enable us to deliver a basic level of service, compliance and record keeping and the impact of the IT outage on Financial Reporting and Audit.

2. Agresso

Recovery:

A project plan is in place which will include testing back-up data and updating Agresso for offline transactions that have taken place including receipts, payments and payroll. Currently it is expected that Agresso will be made available on the 5th February roll out to users to begin updating records by the 22nd February. It is then likely that it will be a few more weeks before all accounting records are up to date. As part of this process A full reconciliation of payments made either manually or via purchasing cards will be undertaken when Agresso is available. All requisitions in the system not yet approved will be checked to see if payment has been made before sending out.

Workarounds:

In the meantime, a spreadsheet cashbook is being maintained to record all bank transactions, saved on Onedrive which is shared with members of the Finance teams. Payments in the University and College can be made using Barclays's online banking and, on the income side, receipts are being identified and communicated to teams dealing with applications, enrolments and credit control. Manual sales invoices are being produced where these are required by the customer to remit money owed.

Procurement Category Managers have communicated with all strategic suppliers re current position and are managing order requirements as and where necessary. PO's are being raised manually only if strategic and/or critical with a list of these are held centrally.

Temporary increases in spend limits have been put in place on purchasing cards for specific requirements.

3. Student Sales Ledger

It is not possible to raise invoices to students while systems are down and we are quoting fee information to students when communicating with enrolling applicants as part of enrolment processing. Where due, we have not been able to process fee refunds.

Confirmations to SLC have been made independently of QLS and SLC payments to students and the University are not expected to be impacted by the IT outage.

4. Payroll

Recovery:
A recovery plan is in place and it is expected that iTrent will be made available to the HR and Payroll teams in the first week of February. At both LSBU and Lambeth the HR teams will update employee data for December, allowing the December payroll and returns to HMRC to be run. Payments already made to staff in December will be deducted generating an additional payment to staff who have been underpaid and recording an over payment to staff who were paid too much which will be recovered in February. This process will then be repeated for January with the aim of processing a 'live' payroll in February. It is recognised that timescales will be tight for the team to process three payrolls in a short period of time.

Workaround:
Payments to staff were made in January, broadly based on the November payroll but adjusted for starters, leavers and where we are aware of variations in pay. Manual Records of HPL and casual hours worked have also been used to reduce the risk of significant over or under payments. Payments to HMRC and Pension providers have been made based on those relating to November's payroll but electronic returns have not been possible, and staff will not be able to access payslips until systems are restored.

5. Reporting

Statutory returns:
HMRC and pension returns will not be possible until systems are restored and brought up to date and we have communicated with both HMRC and pension providers to make them aware.

The Group's VAT return and annual adjustment is due on 7th March. If systems are not fully functioning, we will work with our VAT advisors at KPMG to calculate and estimate return, reducing the risk of penalties and interest charges. Once systems are restored, KPMG will review our returns and assess the impact and communicate these with HMRC as required.

Data necessary to prepare the five year forecasts are held on TM1 have been accessible throughout. Therefore submissions to OfS, including five year forecasts and TRAC returns are expected to be submitted on time.

SBC submitted the ESFA return due by 31st January on time with all the information needed being saved on the Lambeth network and so unaffected. the IFMC requires a return of actual results to the end of December and has agreed with the College that November figures can be returned instead.

Other returns that have been due while systems are down include those due with the Office of National Statistics and we have made them aware

Internal Reporting:
It has not been possible to produce management accounts while systems are down.   A schedule of when management accounts are expected to be circulated is being prepared.

6. **Audit**

Internal Audit:
At the time of the cyber-attack, BDO were part way through a follow up review on Key Financial controls and will not be able to complete this work until systems are restored. since then, BDO have been able to complete audits which do not rely on system access and have rescheduled. Reviews that do rely on system access have been rescheduled to later in the year, including Staff Absence and financial controls at SBC. it is however expected that the planned audit programme will be completed by the end of July 2021.

Year end Audit and Accounts:
We are in the process of planning for the 2020/21 year end audit and accounts. Systems will be restored by then and it is not expected that the system outage will have an impact on the year end process that the University and College Finance teams will follow. We are discussing with KPMG whether they will want to do additional year end audit work as a result of the cyber-attack.

<div align="right">
Natalie Ferer
1st February 2021
</div>

	CONFIDENTIAL
Paper title:	HR Systems Recovery
Board/Committee:	Group Audit and Risk Committee
Date of meeting:	11 February 2021
Author(s):	Dave Lee, People and Organisational Development
Sponsor(s):	Nicole Louis, CCO
Purpose:	For Information
Recommendation:	The Committee is requested to note the report

Plan to update HR/Payroll systems post IT outage

Internal systems that need to be updated:

- iTrent   HR/Payroll system
- VT2000   HPL payment and rostering system
- E-file cabinet   Employee filing system
- C-Series (Bottomline)   Bacs software

External stakeholder to be updated

- HMRC
- TPS, LPFA, NEST, Aviva, USS

Current timeline

- iTrent to be restored by Friday 05 February 2020 with the backup point in time @ 11 December 2020.

- If the systems are not back up by 12 February 2020 the manual payroll process would need to be revisited.

Testing

- Once iTrent is restored, the HR systems and payroll team will complete the testing scripts.

- Once VT2000 is restored, the HR systems and payroll team will complete the testing scripts.

- Upon the successful completion of the testing, the HR and Payroll team will focus on the payroll backlog.

- Compare to accounting entries (if Agresso available, if not this will have to be restropectively)

Payroll backlog

In order to record and add the payroll detail that have been processed outside of iTrent, the following steps will be completed.

The process will be ratified with a 1 hour discussion with a MHR payroll consultant to verify the process.

1. Load the December advanced payments to iTrent through data conversion against the advanced payment element.
2. Lock December's payroll and run it, as if it was still December but recovering all payments that have been made outside of the system.
3. Run a BACS file to pay any shortfall. Overpayments will carry forward to January automatically.
4. Submit FPS file and EPS files and create GL files
5. Generate pension submissions
6. Reconcile all third party payments and open up January's payroll.
7. Repeat the steps above for the January payroll.

Once the January payroll has been completed, the team will then move on to the February preparation and reconciliation.

iTrent restored and available to use	05/02/2021		Dates iTrent locked	
December payroll	05/02/2021	10/02/2021	05/02/2021	09/02/2021
January payroll	12/02/2021	17/02/2021	14/02/2020	17/02/2020
February payroll	12/02/2021	17/02/2021	14/02/2021	17/02/2020

can this be moved back by 1 or 2 days so the February payroll is complete by 17th or 18th Feb? this will give an additional day to get the LSBU and SBUEL bacs files ready – may be essential if C Series is not yet restored.

New starters

All starters paid by the advance payment process in December will be listed on iTrent, as these were added prior to the IT outage.

Starters paid by advance in January need to be added to the January payroll. Once complete all remaining starters are to be added. This work is not affected by the iTrent payroll lock.

Outstanding and upcoming changes (FTE/allowances)

Due to the amount of time the payroll system will be locked, there may not be enough time to process all the FTE changes and allowances.

All changes will be captured in a spreadsheet, and the priority will be assigned depending on date due, potential for overpayment and underpayment.

Hourly Paid Lecturers

Notify HPLs that VT2000 is available to input their hours for December / January and give them 5 working days to do so.

Process the HPL hours and pay in the February payroll.

Weekly Workers (Ambassadors)

Notify Weekly Worker that iTrent is available to input their hours for December / January, deadline 10 February.

Process the weekly worker hours and pay in the February payroll.

Overpayments

Once the February payroll is complete the payroll team will identify the overpayments and work with HR colleagues to inform the employees and arrange payment.

Absence monitoring including sickness and annual leave

The absence spreadsheets that have been managed by Schools and PSG's will be imported in to iTrent through data conversion.

Recruitment

Communicate to all applicants where the application deadline has passed.

Add all current recruitment to iTrent.

End all recruitment advertising on the Linkedin to ensure that vacancies are only on the iTrent Jobs Page. Comms team to repoint main website back to jobs.lsbu.ac.uk

Learning and Development

Update any learning that has been completed or cancelled during the IT outage.

Main Risks and Mitigation

Risk	Contingency
The system is not up for the Feb payroll	The same manual processes that were used last month are used again.
The data is corrupt	**We piece together the current picture with data we have saved on spreadsheets.**
The system is up but the new servers are not built in time for the 17 March deadline	We submit to HMRC late and are fined. MHR are booked in April
All the business objects repots are lost	We prioritise the reports and build new, external consultancy may be required

Paper title:	Internal Audit Progress Report
Board/Committee:	Group Audit and Risk Committee
Date of meeting:	11 February 2021
Author(s):	BDO
Sponsor(s):	Richard Flatman, Group Chief Financial Officer
Purpose:	For Information
Recommendation:	The Committee is requested to note the progress report.

Executive summary

The attached report shows progress to date with the 2020/21 Internal Audit programme.

Proposed changes to the plan, including changes necessary due to IT problems in since mid December, are detailed on page 2 of the attached report.

Recommendation

The Committee is requested to note the progress report.

INTERNAL AUDIT PROGRESS REPORT

LONDON SOUTH BANK UNIVERSITY GROUP

February 2021

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INTERNAL AUDIT PROGRESS SUMMARY

2020-21 Audit Programme

The status of our work is a follows:

Final reports	Draft reports	Fieldwork	Planning
▶ SBA HR policies and procedures	▶ SBA budget setting and control	▶ LSBU finance follow up	▶ SBC Financial controls
▶ SBC Apprenticeships	▶ SBC Prevent		▶ SBC Staff absence management
▶ LSBU Financial information, cash flow and loan covenants			▶ Group KPIs
▶ LSBU UUK Code compliance			▶ LSBU Student wellbeing
			▶ LSBU SBC student admissions and enrolment

Changes to the Plan

▶ Management requested the OfS conditions of registration audit be deferred by six months due to:

　▶ Planned ongoing change to improve dynamic oversight of indicators and so better to audit when these are fully embedded. Specifically since September 2020, LSBU has changed the way it is embedding indicators in key academic committees and have established new action groups and roadmaps

　▶ Changes to OFS reporting during Covid that means that LSBU is not working to its usual cycle.

▶ The management information and KPI audit has been split with the LSBU financial management information section being included within the financial controls audit. The financial controls audit has been renamed financial management information, cash flow and loan covenant compliance. The KPI audit will now take place in March and will be a group-wide audit.

▶ A separate follow up review of all finance related recommendations for LSBU has been included within the IA Plan to check whether these have been embedded. However, this work has been disrupted by the ongoing system issues.

▶ Due to system issues the review of staff absence at SBC has been deferred from January to March.

▶ The review of student experience has been deferred from February and will now take place in May. The student wellbeing audit has been brought forward from May to March.

▶ SBC admissions and enrolment has been moved February to July as the new system has yet to be implemented.

▶ Management has also requested that the SBC financial controls audit be deferred from March to April.

The Audit and Risk Committee is asked to approve these changes.

INTERNAL AUDIT PLAN 2020-21 DETAILED SCHEDULE

Audit area	Entity	Original Days	Planned Start	TOR sent	Current Status	Planned Audit & Risk Committee	Actual Audit & Risk Committee	Recommendations made ▲	🟧	🟢	Assurance level Design	Effectiveness
Governance, compliance and risk management												
Business continuity/ Covid-19 risk assessment and response	Group	15	21/09/20	16/09/20	Final report	Nov 20	Outside of meeting	0	2	0	🟦	🟢
Regulatory audit (Prevent)	SBC	6	04/01/21	18/12/20	Draft report	Jun 21						
Corporate governance	LSBU	8	TBC			Jun 21						
Finance and management information												
Financial information, cash flow and loan covenants	LSBU	14	08/12/20	12/11/20	Final report	Feb 21	Feb 21	0	2	3	🟦	🟦
Budget setting and control	SBA	7	04/01/21	15/12/20	Draft report	Jun 21						
Financial systems and controls	SBC	7	19/04/21		Planning	Jun 21						
Finance follow up	LSBU	5	07/12/20	01/12/20	Fieldwork	Feb 20						
KPIs	Group	10	22/03/21		Planning	Jun 21						
Facilities contract management	SBA	7	05/04/21			Jun 21						
Core activities												
Apprenticeships	SBC	7	19/10//20	19/10/20	Final report	Feb 21	Feb 21	1	1	3	🟦	🟦
Student experience	LSBU / SBC	18	~~01/02/21~~ 10/05/21			~~Jun 21~~ Sep 21						
Student wellbeing	LSBU	8	~~10/05/21~~ 15/03/21		Planning	~~Sep 21~~ Jun 21						

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INTERNAL AUDIT PLAN 2020-21 DETAILED SCHEDULE

Audit area	Entity	Original Days	Planned Start	TOR sent	Current Status	Planned Audit & Risk Committee	Actual Audit & Risk Committee	Recommendations made			Assurance level	
								🔺	🟧	🟢	Design	Effectiveness
Core activities continued												
OfS Conditions of Registration	LSBU	8	~~29/10/20~~ TBC	26/10/20		~~Feb 21~~ TBC						
Student admissions and enrolment	SBC	7	~~08/02/21~~ 05/07/21		Planning	~~Jun 21~~ Sep 21						
Estates infrastructure and services												
London Road refurbishment	LSBU	8	07/06/21			Sep 21						
Universities UK/ Guild HE Code compliance	LSBU	10	14/12/20	02/11/20	Final report	Feb 21	Feb 21	0	2	0	N/A	N/A
Information technology												
IT disaster recovery	Group	20	04/05/21			Sep 21						
Human Resources												
HR policies and procedures	SBA	5	17/08/20	10/08/20	Final report	Feb 21	Feb 21	0	1	1	🟦	🟦
Staff absence management	SBC	8	~~22/02/21~~ 25/03/21	18/12/20	Planning	Jun 21						
Management and recommendation follow up												
Recommendation follow up	Group	10			Ongoing							
Management		20	Ongoing									

APPENDIX II - OPINION AND RECOMMENDATION SIGNIFICANCE DEFINITIONS

LEVEL OF ASSURANCE	DESIGN OF INTERNAL CONTROL FRAMEWORK		OPERATIONAL EFFECTIVENESS OF INTERNAL 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.

FOR MORE INFORMATION:

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	CONFIDENTIAL
Paper title:	Internal Audit –Financial Management Information, Cashflow and Loan Covenants
Board/Committee	Group Audit and Risk Committee
Date of meeting:	11th February 2021
Author:	BDO
Sponsor:	Richard Flatman – Group CFO
Purpose:	For information
Recommendation:	The Committee is requested to note the report.

Summary

The scope of this audit was to assess whether the financial management information relating to the University and College provided to and the Group Executive, Group Board and Planning and Reporting (FPR) Committee is appropriate for their needs. Specifically, the auditors assessed whether the financial information contained within the monthly management information packs was clear, transparent and relevant. This included whether information was supported by appropriate commentary and whether adverse performance against budget could be identified. The auditors also assessed whether there were suitable controls in place to produce accurate information by walking through the monthly closedown procedures to ensure the accuracy of data on Agresso.

This year we have in place a £30M Revolving Credit Facility and so the auditors also reviewed the controls in place over cash flow forecasting and loan covenant compliance at the University.

The report identified a number of areas of good practice, gives a moderate level of assurance for the design and operational effectiveness of processes for producing management information, cashflow forecasting and monitoring compliance with loan covenants and raised five findings; two of medium significance and three of low significance all of which were accepted by the management team.

The two findings of medium significance include the need for more detailed short term cashflow forecasting and clearer definitions with regard to when income and expenditure variances need investigating, both of which will enable the University to

manage its requirement to draw down from its revolving credit facility and support the financial health of the Group at a time of risks around a range of financial measures. The low priority findings relate to documentation to support the monthly closedown procedures, the tracking of loan covenant compliance and the regular meeting of the FPR Committee.

Recommendation:
The Committee is requested to note this report

Paper title:	Internal Audit – UUK Code Compliance: Student Housing
Board/Committee	Group Audit and Risk Committee
Date of meeting:	11th February 2021
Author:	BDO
Sponsor:	Nicole Louis, Chief Customer Officer
Purpose:	For information
Recommendation:	The Committee is requested to note the report.

Executive Summary

The internal audit into LSBU Student Housing monitors compliance with the Code of Practice for the Management of Student Housing which was introduced and 2006 and updated in 2010 and again in 2019. The Code outlines best practice and provides bench marks for the management - and quality - of student housing in the sector.

The audit finds that LSBU is able to demonstrate compliance with 87 out of 89 essential items and 12 out of 12 desirable items having been fully met. There are two recommendations (both of medium significance) relate to the tracking of Fire Risk Assessment actions to timescales and the need for an LSBU PAT policy (while the report acknowledges that FRAs and PAT testing have taken place for Halls). Both recommendations have been noted in management response and planned actions: Accommodation, Estates, and HSR have a meeting scheduled to agree the action plan and next steps and actions will be overseen by the Director of Student Services.

Recommendation:
The Committee is requested to note this report

Paper title:	Internal Audit – Covid Response
Board/Committee:	Group Audit and Risk Committee
Date of meeting:	11 February 2021
Author(s):	BDO
Sponsor(s):	Pat Bailey - Provost Fiona Morey – Executive Principal
Purpose:	For Information
Recommendation:	The committee is asked to note the Internal Audit report on Covid-19 response.

Executive summary

We note that the review was largely supportive of the procedures that we have put in place, and the processes that we have initiated to address the initial and ongoing pandemic. Seven areas of good practice were identified.

Two moderate risk issues were identified: a) monitoring of preparedness for moving to entirely online delivery; b) business continuity in our academies and college in the event of a second lockdown. Both of these are risks that had already been acknowledged by management and they are both aspects that we continue to monitor and/or address.

Two other points are worth highlighting concerning the University:

1. The report did suggest that some courses might need to be suspended (p6: "…courses that cannot be delivered remotely … may need to be restructured to accommodate a remote environment or … the University needs to agree to not offer the course for a period of time." However, given that we have ongoing students and most practical-based courses would be seen to be high priorities for the country, it seems unlikely that suspending such courses would be a viable option.

2. Although a small number (about 13%) of courses do not have full contingencies in place for a variety of lockdown scenarios, this is generally because the details of practical delivery cannot be finalised in advance (and most of our courses are vocational, and with strong practical components); for example, PSRBs might relax their requirements, residential or block teaching might be arranged, or on-the-job experience might be accepted. These options require

will depend on the (changing) Covid restrictions and external bodies, and so this detail cannot be finalised at this stage. We will, however, ensure that we have rigorous monitoring of the requirements, and that an appropriate range of options can be put into place as the need arises.

Paper title:	Corporate Risk Report
Board/Committee	Group Audit and Risk Committee
Date of meeting:	11 February 2021
Author:	Richard Duke – Director of Strategy & Planning
Executive/Operations sponsor:	Richard Flatman, Chief Financial Officer
Purpose:	For information
Recommendation:	The committee is requested to note and discuss the corporate risk report.

Executive Summary

The corporate risk register currently has:

- Zero critical risks;
- Fifteen high risks;
- Fourteen medium risks;
- One low risk

Risks are reviewed on a monthly basis by the Senior Leadership Team (SLT). The last review was in November 2020 (there is no SLT in December). Therefore the change to the risk register, since its last review, has been proposed by Executive, rather than SLT. This change was:

- (637) Failure to recover reputational damage from Dec 2020 ICT Outage (NL). This has been classified as a high risk.

The most recent changes prior to this report were recommendations made by SLT in September 2020, the recommended changes were as follows:

- Risk 305 – Data Protection and Security: Likelihood increased to high given recent cyber-attacks on other UK Higher Education institutions. This increases the overall classification to **High**
- Addition of a risk relating to potential student fee refunds and loss of halls of residence income (634). This has an overall classification of **High**
- Addition of risk relating to deterioration of league table ranking and associated reputation (635). This is also classified as **High**

- Addition of risk relating to the effectiveness of blended learning (636). This is also classified as **Medium.**

Over the course of the 2020/21 academic year, the approved risk policy will be implemented. The risk policy provided assurance that this would be implemented over the course of the academic year, but that this would not be complete until the end of the academic year. Key areas of areas progress since the previous Audit Committee have been:

- An SBC risk register has been developed, using a consistent format to the LSBU risk register and presented to the SBC Audit Committee;
- The SBA risk register has been reviewed by the Director of Strategy and Planning, and steps are being taken to align this format with the LSBU and SBC risk registers;
- A review of the overall business cycle process, which will ensure all risk registers are reviewed at appropriate points and by relevant stakeholders.

Recommendation

The committee is requested to note and discuss the corporate risk report.

LSBU Corporate Risk: Board Summary Report – Jan 2021
Cover Page: Risk Exposure Matrix – Severity by risk type (from Risk Appetite)

Severity Rating/Risk Type - Appetite	Low	Medium	High	Critical
Financial (open)	(517) EU Referendum Impact on regulation & market (DP)	(631) Full financial benefits including Income and expenditure levels fail to leverage potential of Group (RF) (402) Income growth from Research & Enterprise unrealised (PI) (630) HE Policy - B3 Registration Regulation and potential introduction of student number controls (DJ)	(3) Sustainability of current pension schemes (RF) (625) Impact of Govt. Education Review on HE funding (RF) (2) Revenue reduction if course portfolio, and related marketing activity, does not achieve Home UG recruitment targets (NL) (457) Anticipated international & EU student revenue unrealised (NL) (634) Financial Impact of Covid-19 (student refunds/accomodation (RF)	
Legal / Compliance (Cautious)		(519) Negative Curriculum Assessment (DJ) (584) External incident compromises campus operations or access (MMJ)	(305) Data security and data protection (NL)	
Academic Activity (Seek)		(628) Availability of NHS placements (PB) (495) Higher Apprenticeship degrees (FM) (398) Academic programmes not engaged with technological and pedagogic developments (DJ) (494) Inconsistent delivery of Placement activity (NL) (518) Core student system inflexibility / failure (DJ) (636) Blended Learning not implemented effectively, impacting student experience (DJ) (627) Impact of new strategy upon organisational culture (MMJ)	(629) OfS Thresholds not met in relation to Condition of Registration B3 (DJ) (37) Affordability of Capital Expenditure investment plans (RF) (467) Progression rates don't increase (DJ) (633) Unable to deliver recovery plan from Covid-19 (DP)	
Reputation (Open)		(6) Management Information perceived as unreliable, doesn't triangulate or absent (RF) (362) Low staff engagement impacts performance negatively (MMJ)	(626) Impact of assurance activity & new initiatives fails to address issues around student experience (PB) (632) Alignment of estate with sector requirements across the Group (PI) (1) Capability to respond to change in policy or competitive landscape (DP) (635) League table rank deterioration / reputational impact (DJ) (637) Failure to recover reputational damage from Dec 2020 ICT Outage (NL)	

Impact		1 - Low	2 - Medium	3 - High	4 - Very High
	4 Critical *Corporate plan failure / removal of funding, degree award status, penalty / closure*				
	3 High *significant effect on the ability for the University to meet its objectives and may result in the failure to achieve one or more corporate objectives*	(495) Higher Apprenticeship degrees (FM) (519) Negative Curriculum Assessment (DJ) (6) Management Information perceived as unreliable, doesn't triangulate or absent (RF) (362) Low staff engagement impacts performance negatively (MMJ)	(37) Affordability of Capital Expenditure investment plans (RF) (467) Progression rates don't increase (DJ) (633) Unable to deliver recovery plan from Covid-19 (DP) (626) Impact of assurance activity & new initiatives fails to address issues around student experience (PB) (632) Alignment of estate with sector requirements across the Group (PI) (1) Capability to respond to change in policy or competitive landscape (DP) (305) Data security and data protection (NL) (634) Financial Impact of Covid-19 (student refunds/accomodation (RF) (635) League table rank deterioration / reputational impact (DJ)	(629) OfS Thresholds not met in relation to Condition of Registration B3 (DJ) (3) Sustainability of current pension schemes (RF) (625) Impact of Govt. Education Review on HE funding (RF) (2) Revenue reduction if course portfolio, and related marketing activity, does not achieve Home UG recruitment targets (NL) (457) Anticipated international & EU student revenue unrealised (NL) (637) Failure to recover reputational damage from Dec 2020 ICT Outage (NL)	
	2 Medium *failure to meet operational objectives of the University*	(517) EU Referendum Impact on regulation & market (DP)	(398) Academic programmes not engaged with technological and pedagogic developments (DJ) (494) Inconsistent delivery of Placement activity (NL) (518) Core student system inflexibility / failure (DJ) (627) Impact of new strategy upon organisational culture (MMJ) (402) Income growth from Research & Enterprise unrealised (PI) (630) HE Policy - B3 Registration Regulation and potential introduction of student number controls (DJ) (584) External incident compromises campus operations or access (MMJ)	(628) Availability of NHS placements (WT) (631) Full financial benefits including Income and expenditure levels fail to leverage potential of Group (RF) (636) Blended Learning not implemented effectively, impacting student experience (DJ)	
	1 Low *little effect on operational objectives*				
		1 - Low	2 - Medium	3 - High	4 - Very High
		This risk is only likely in the long term	*This risk may occur in the medium term.*	*The risk is likely to occur short term*	*The risk is likely to occur in the immediate term*
		Residual Likelihood			

Paper title:	Confirmation of UKVI compliance and licence renewal
Board/Committee:	Group Audit and Risk Committee
Date of meeting:	11 February 2021
Author(s):	Anjali Frank – Immigration and Compliance Manager (Tier 4) David Lee – Head of HR Operations
Sponsor(s):	Nicole Louis – Chief Customer Officer
Purpose:	For Information
Recommendation:	The committee is requested to note the findings of LSBU's UKVI compliance statistics for academic year 2019/20

Executive Summary

LSBU international activity requires simultaneous compliance across four UKVI tiers, namely: Tier 1 – Entrepreneurs, Tier 2 – Skilled workers, Tier 4 – Students, and Tier 5 – Temporary workers (i.e. Confucius Institute). With respect to Tier 4, there is an annual Home Office review of LSBU data measuring visa refusal rates for LSBU applicants, enrolment rates for LSBU visa holders, and completion rates for LSBU tier 4 students. The thresholds for each are 10%, 95% and 85%, respectively and performance outside of these thresholds results in a loss of license and significant negative income / reputational impact.

Tier 4 Visa Compliance.

For the reporting period, LSBU was assigned an allocation of 900 CAS' of which 613 were utilised to support the recruitment and retention of international students. For the same period, the recorded visa refusal rate was 1.3%, the CAS conversion to enrolment rate was 99.1% and the course completion rate was 86.3%. All KPIs were within the basic compliance thresholds and this has been confirmed in the letter received from UKVI confirming the outcomes of our Basic Compliance Assessment (21/10/20).

A key issue to note is the deterioration of the course completion rate which reduced by 10pts compared to prior year and as a result, was very close to the threshold of 85%, similar to the performance seen in 2017/18. This deterioration is due to the re-deployment of a tactical but temporary task force which had previously been applied to checking and updating exit information for all sponsored students who completed/exited in BCA period but were instead, re-focussed on supporting CAS processing to address gaps in the team.

We have reinstituted the plan to follow up on all students who withdrew from AY 20/21 and this work is now part of the UKVI compliance planner and should result in improved continuation metrics for the 20/21 year.

<u>Tiers 2 & 5 Compliance</u>

With respect to the tier 2, in the 201/20 academic year there was an average of 22 employees on a tier 2 visa, with a high of 26 employees in August 2019. There have been no tier 5 workers in the period August 2019 – July 2020. In November 2019 BDO completed an Internal Audit of tiers 2 and 5. In the completed report there were 7 audit recommendations identified. All but one of the actions have been completed, the remaining action requires a member of the recruitment team to audit hard copy files on site, and this cannot currently be completed due to the COVID restrictions relating to office access.

Recommendation

The committee is requested to note the findings of LSBU's UKVI compliance statistics for academic year 2019/20.

Data Tables

CAS Assignment and Issuance

Total CAS Assigned / Used * during **BCA period**	**613**
October 2019	5
January 2020 intake	365
September 2020 intake	230
Extensions etc	13

*USED – includes refusals, (data accessibility issues due to IT outage).

Basic Compliance Statistics

Full year CAS allocation *updated from October 1st w immigration rules change)				900
BCA METRICS (Basic Compliance Assessment)		**17/18**	**18/19**	**19/20**
Visa Refusal Rate	Less than 10%	4	2	1.3
CAS Conversion to Enrolment	No less than 90%	99	99	99.10
Course Completion Rate Target / Actual	No less than 85%	87	96	*86.27

LSBU stats for Academic year September 2019/20 EFE students

Total number of EFE Tier 4 students for Academic year 19/20 = 1205

	Sep 2019 Intake EFE Students	Jan 20 Intake EFE Students
New	444	367
Continuing	309	85
New + Continuing EFE (Enrolled)	**753**	**452**
Number who completed by end 2020	271	71

UK Visas & Immigration

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21 October 2020

Sponsor Licence Number: 1F2MGYXUX

Dear Professor Ivey

London South Bank University

BASIC COMPLIANCE ASSESSMENT

Thank you for your Basic Compliance Assessment (BCA) application to renew your Student Sponsor - Track Record status, submitted on 16th September 2020.

Our assessment

The assessment period is the 12 months immediately prior to the date your BCA application was submitted; the results are as follows:

Refusal Rate:	1.33%
Enrolment Rate:	99.10%
Course Completion Rate:	86.27%

These results may have excluded some data where a match could not be found against the Confirmations of Acceptance for Studies (CAS) used within the relevant assessment period.

Our decision

You have met the core requirements and passed the BCA. As such we have maintained your Student Sponsor - Track Record status.

Next steps

Your current status is displayed in your sponsorship management system (SMS) account and on the [Register of Student Sponsors](#).

You can apply for your next BCA up to 1 month prior to the expiry date of your current BCA. The last possible date to apply is the 'status end date' shown in your SMS account.

A reminder to apply for your BCA will be issued by email to the contact details you have provided. If you do not apply for a BCA in time, your licence will be revoked. It is therefore your responsibility to ensure that all contact details are up to date and accurate and that email accounts are regularly monitored.

Your sponsorship duties

As a licensed sponsor, you must fulfil your sponsorship duties as detailed in the [Student Sponsor Guidance](#).

If you fail to comply with your sponsorship duties, we will take compliance action against you.

Please contact us if you require further guidance or information, quoting the reference number above.

Yours sincerely

Isabelle Harman-Siddall
Student Sponsor Assessment Unit

Paper title:	Update on the University's 2019/20 TRAC Return
Board/Committee:	Group Audit and Risk Committee
Date of meeting:	11 February 2021
Author(s):	Ralph Sanders – Group Director of Financial Planning & Reporting
Sponsor(s):	Richard Flatman – CFO
Purpose:	For approval
Recommendation:	The Committee is recommended to approve the process for the Submission of the University's TRAC return to the OFS
Executive summary:	All providers registered with the Office For Students (OFS) are required to satisfy general ongoing condition of registration including the submission of an annual Transparent Approach to Costing (TRAC) return. The University was able to download the bespoke TRAC workbook for 2019/20 on February 1 2021 after the initial submission of the Annual Finance Return to the OFS. The deadline for submission is March 31. The Finance team are following a process that is consistent with last year's return. The TRAC model has been ported from Excel to TM1 whilst the inherent cost drivers remain the same. This year is a non survey year and Academic Time has initially been allocated on the same basis as last year. Initial outputs are being reviewed by Deans and Finance Business Partners in the week beginning 25 Feb to ensure that any changes to last year's Academic activity, particularly in the balance between Teaching and Research, have been accurately captured and to ensure that the outcomes are consistent with expectations. The TRAC results, which will reconcile with the consolidated 2019/20 LSBU Group financial statements, will then be reviewed at a detailed level by the Finance including the CFO in the week beginning 4 March. This will include a comparison with previous returns, analysis of major variances and of the indirect and estate costs that are allocated to research. Finally the results will be shared with the Chair of Group Audit & Risk Committee in the week beginning 11 March before electronic submission to GARC members for approval prior to final submission to the OFS.

INTRODUCTION

All providers registered with the OfS are required to satisfy general ongoing condition of registration. These were communicated to the University in the letter issued by the OFS on 30 July 2020 and LSBU is required to submit the following information as part of the Annual TRAC return 2019-20.

The LSBU Group including LSBU and South Bank Colleges will need to submit financial data consistent with its latest audited financial statements in the bespoke OFS TRAC Workbook. This will be supported by a commentary to explain significant movements in data and is accompanied by a sign off form.

The sign off form provided must be signed by the accountable officer. The declaration by the accountable officer asks for confirmation that the return has been prepared in accordance with the TRAC requirements and has been approved by a committee of the governing body. In LSBU's case, this governing body is the Group Audit & Risk Committee.

Background to TRAC

TRAC is an activity-based costing system. It was introduced across the UK higher education sector in 1999 as a government accountability requirement and to support institutional management through better understanding of costs within individual institutions.

TRAC is a process of taking institutional expenditure information from consolidated financial statements, adding a margin for sustainability and investment to represent the full 'sustainable' cost of delivery, and then applying cost drivers (such as student numbers, academic staff time allocation and space usage) to allocate these costs to academic departments and to specific activities.

This is then used to determine if the University is recovering the Full Economic Cost of publicly funded and non-publicly funding teaching, and Research and Enterprise. The workbooks are also used to determine the charge out rates that the University will use when bidding for research grants.

Deadline

The deadline for the submission and sign off of the Annual TRAC return 2019-20 is dependent on the submission and sign off of the Annual Financial Return 2020. The initial submission of the Annual Financial Return 2020 triggers the creation of the TRAC workbook. Once the sign off for the Annual Financial Return 2020 is submitted to the OfS portal, the University will then have 30 days to submit and sign off the Annual TRAC return 2019-20.

The University submitted its initial Annual Finance return on February 1 20201 and the final submission will be confirmed on March 1.Given this timeframe, the deadline for the Annual TRAC return 2019-20 will be set at Wednesday 31 March 2021.

Submission

The OFS requires a University Committee to confirm compliance with TRAC procedures, specifically the Statement of Requirements, which includes confirmation of compliance with the TRAC checklist and

robustness checks. This is the responsibility of the Group Audit & Risk Committee, however, OFS note that due to the timing of committee meetings it may not be possible to gain assurance from the committee prior to the return submission date, and a retrospective approval is permitted. Due to the delay in the release of the TRAC workbook Retrospective approval will be requested at the next GARC.

To address the timing issue, the Chair of Audit and Risk Committee will specifically review the TRAC results and the processes undertaken to complete the return in advance of any submission. The Finance team will then have 3 weeks following this initial review with the chair before any submission is made. This will ensure that any recommended changes can be implemented, reviewed and circulated to committee for approval prior to submission.

Update on the TRAC Process

The TRAC guidance for 2019/20 had no material changes from the 2018/19 guidance and so the University is following a process that is consistent with our 2018/19 return.

The TRAC model has been ported from Excel to TM1, our cloud based planning software whilst the cost drivers remain the same. Staff cost and FTE data have been reconciled to the payroll system. This year is a non survey year and Academic Time has initially been allocated on the same basis as last year whilst Student Numbers have been updated to reflect the 2019/20 outcome as reported to the OFS.

Initial TRAC Outputs are being reviewed by Deans and Finance Business Partners in the week beginning 25 Feb to ensure that any changes to last year's Academic activity, particularly in the balance between Teaching, Research and Other activities, have been accurately captured. Deans and Finance Business Partners will also review the allocation of departmental non-pay costs, ensuring an accurate allocation of these costs between Teaching, Research and Other activities.

Checks will also be undertaken in the week beginning 25 Feb in respect of the cost adjustment calculations to analyse any change in the Margin for Sustainability & Investment (MSI) from the 2018-19 return.

The TRAC results, which will reconcile with the consolidated financial statements, will then be reviewed at a detailed level by the Finance team including the CFO in the week beginning 4 March. This will include a comparison with previous returns, analysis of major variances and of the indirect and estate costs that are allocated to research.

Finally the results will be shared with the Chair of Group Audit & Risk Committee in the week beginning 11 March before electronic submission to GARC members for approval prior to final submission to the OFS by March 31.

Paper title:	Data Protection breaches report
Board/Committee:	Group Audit and Risk Committee
Date of meeting:	11 February 2021
Author(s):	Alice Black, Group Data Protection and Information Compliance Officer (DPO)
Sponsor(s):	James Stevenson, Group Secretary
Purpose:	For Information
Recommendation:	The Committee is requested to note the following update on recent reportable and non-reportable data breaches.

Reporting Breaches of personal data

There have been two incidents involving breaches of personal data since the last report was prepared for the October Audit Committee. One of these breaches was reported to the ICO and both breaches relate to data disclosure.

<u>Non-reportable breaches</u>

BR2017 – Forms completed by student prize winners in order to receive payment if their prizes were emailed to an alumni rather than a member of the finance team. This happened on two occasions due to the Alumni being in the email address book for the sender. Alumni was contacted and asked to delete the data, all other recipients of the emails were LSBU staff.

BR2018 – A student included patient data in an email they sent to a lecturer about a forthcoming assignment. This was a breach of patient confidentiality and the HSC academic conduct policy, as well as a data protection issue. School determined action to be taken against the student and lecturer deleted the email. As the recipient is a trusted professional and data was deleted immediately no requirement to report this.

BR2019 – External assessor contracted by the Wellbeing team to compete Learning difficulty assessments emailed a report made for one student (student A) to another student (student B). Assessor asked student A to delete the email immediately, which they confirmed they had done. Assessor also chose to contact student B to inform them, that student then made a complaint to the wellbeing team. All of these actions took place prior to the assessor notifying the wellbeing team and/or the DPO. Wellbeing advised the 3rd party that they should report any breaches into LSBU, who are the data controller, rather than take action themselves.

In this instance contacting the data subject was not appropriate as the breach had been fully mitigated and notifying them caused additional concern. Student B has been contacted by LSBU to apologise for the error and assessor has revisited their process for preparing these reports and made some changes to ensure fields are not pre-populated.

BR 2020 – Email was sent from a lecturer arranging placements asking for the Occupational Health report for a student to be checked. Student was named in the email but not the nature of the health condition or adjustments. Email was sent to another student rather than school administrator, both have the same surname and this mistake was made when using LSBU outlook directory. Student was contacted and asked to delete the email.

BR 2021 – Staff member copied in a student rather than another member of staff when sending on a query from another student. Only personal data in the email was the name of the enquiring student, receiving student raised concern that they had received the email in error as they believed their email account had been compromised. Recipient student was asked to delete the email and advised it was human error not a cyber attack.

Reportable breaches

BR 2022 & BR2101

LSBU has submitted two reports to the ICO in relation to the ongoing Cyber Incident. BR2022 was submitted when the incident was initially discovered and BR2101 following the recent email phishing on staff emails. Separate updates on these have been provided to GARC throughout the course of the Cyber Incident and investigation

Paper title:	Update on data breach BR2016 and actions taken following ICO recommendations
Board/Committee:	Group Audit and Risk Committee
Date of meeting:	11 February 2021
Author(s):	Alice Black, Group Data Protection and Information Compliance Officer (DPO)
Sponsor(s):	James Stevenson, Group Secretary
Purpose:	For Information
Recommendation:	The Committee is requested to note the following update on recent reportable data breach.

BR2016 was reported to the ICO on 26 October 2020, whereby a spreadsheet containing personal data for over 6000 students was attached in error to an email sent to a group of 18 students.   The ICO's decision was that no further action would be taken, however they made a number of recommendations which LSBU has responded to. Recommendations are below in black and LSBU responses in blue.

• Continuing your contact with any student who has not responded to your request for deletion of the information sent to them in error. After receiving the feedback from the ICO Student Administration sent a further email to the remaining students to request deletion on 16th November and this resulted in one further confirmation. We have now received confirmation of deletion from 10 of the 18 students.

• Ensuring robust mechanisms are in place and adhered to by all staff at all times, when processing personal information. An email has been sent to all staff in the area where the breach occurred. This communication advised staff not to send confidential information or data sets via email without password protection and reminds staff of other options for safe data sharing such as Teams and One Drive. An all-staff comms conveying this same message had been drafted by the DPO and approved by the Exec. It was due to be sent prior to Christmas, however due to the Cyber incident and communications around it taking priority it has not been cascaded. This communication will be sent once staff systems are back online.

• Taking a lessons learned approach to ensure the security of all the personal information you process and store, and use clear naming conventions for all documentation stored to help prevent potential mistakes. The document was being forwarded via email across the department rather than stored in a central location, so the naming conventions would not have prevented this error. However, we have included this advice in the forthcoming communication and expand on it by asking staff to share links to documents on shared drives rather than attach them as this is much more secure.

• Using password protection on master copies containing personal identifiers. This advice is included in the forthcoming communication.

• Reviewing your risk assessment with regards to the affected data subjects for a period of time, to ensure any potential detriment is not caused by the breach. We made several attempts to get to 100% confirmation of deletion of this email from the student recipients, which would mitigate the risk of any detriment to the data subjects. However, we were not able to get all students to confirm deletion so the Data Protection team is monitoring any student contact regarding their data and any concerns raised against the list of data subjects impacted by this breach and will report any trends.

• Practical role specific refresher data protection training should be carried out biennially, to ensure staff are aware of their responsibilities for securing the personal information they process and store. All staff are required to complete mandatory Data Protection and Cyber Security online training modules, both of which cover information that could have prevented this breach. Reminders regarding the training will be included in the communication. POD sends completion rates for these modules to line managers to monitor. There is a page on the Staff Intranet: 'Sharing Data Safely'. In May 2020 an all-staff comms on how to share data safely went out via the Staff Newsletter (7 May 2020) and this was followed by an email cascade to all staff via Deans and Directors (14th May 2020). An additional compulsory training module 'Information Security Essentials' specifically sets out the need to password protect documents containing sensitive information.

• This breach, suitably redacted, could be used as training to help staff understand the impact of not taking appropriate measures to ensure the security of the personal information they process and store. We have already been contacted by a number of staff regarding the communication that went out about email usage. We have been able to use this example and others at a high level with no identifying information being provided to explain the reasoning behind the message and that safe data sharing needs to be considered for both internal and external emails. A short training session about safe data sharing has been developed and includes high level discussion of previous data breaches including BR 2016. This training has been delivered in two sessions in 2020 and further sessions are planned for 2021. The slides for the session have also been shared with the Data Protection Network members to pass on to their colleagues.

Paper title:	Anti Fraud, Bribery and Corruption Report 57
Board/Committee:	Group Audit and Risk Committee
Date of meeting:	11 February 2021
Author(s):	Natalie Ferer, Group Financial Controller
Sponsor(s):	Richard Flatman, Group Chief Financial Officer
Purpose:	For Information
Recommendation:	The Committee is requested to note the report.

Executive summary

Since the last report the University has been subject to a cyber-attack which is being reported to the committee separately. We are not at this stage invoking our fraud reporting protocol although the investigation is still ongoing.

There are no other matters to report.

Recommendation

The Committee is requested to note the report.

Paper title:	Group speak up policy
Board/Committee:	Group Audit and Risk Committee
Date of meeting:	15 February 2021
Author(s):	Michael Broadway, Deputy University Secretary
Sponsor(s):	James Stevenson, Group Secretary
Purpose:	For Information
Recommendation:	The committee is requested to note the group speak up policy and the report on speak up matters raised since the last meeting

Speak Up Policy

The Speak Up policy was significantly revised and updated and approved by the Group Audit and Risk Committee in February 2020.

In 2020, three matters across the Group have been raised using the speak up reporting line (two in 2019). Work will be undertaken to promote the policy to colleagues across the Group.

As part of an annual process, the policy has been reviewed and no changes are recommended.

Speak Up report

No new speak up matters have been raised since the previous committee meeting.

For information, a former employee, who raised a matter under the speak up policy in 2019, is suing the university for constructive unfair dismissal; automatic unfair dismissal (whistleblowing); and whistleblowing detriment. All claims are resisted by LSBU.

Speak Up Policy
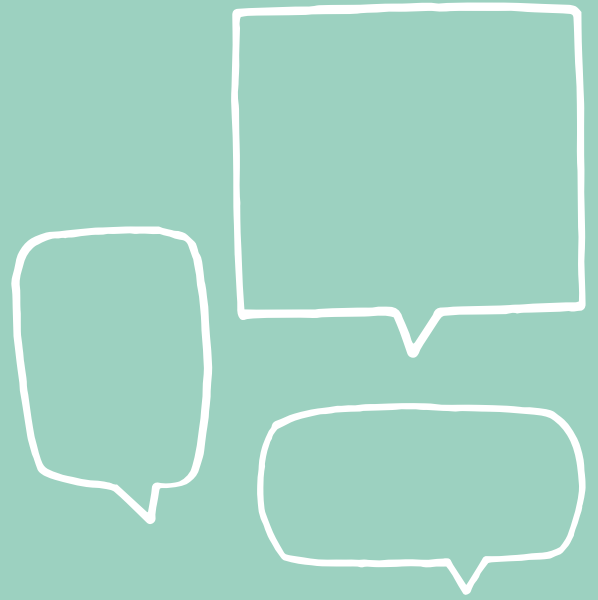
1. Introduction from senior leadership

The LSBU Group[1] is committed to conducting its business on a daily basis with fairness, integrity and respect for the law and our values of Excellence, Professionalism, Integrity, Inclusivity and Creativity. In spite of this commitment, you may one day observe conduct that seems to violate the law, our Values and/or our policies. If you observe or suspect such misconduct, you are encouraged to Speak Up. By doing so, you give the LSBU Group the opportunity to deal with the issue. Remaining silent about possible misconduct may worsen a situation and decrease trust.

The LSBU Group truly values the help of employees or students who identify and Speak Up about potential concerns that need to be addressed. Speaking Up is encouraged and employees and students who Speak Up are protected. You will not suffer for raising concerns in good faith about suspected misconduct, and we do not tolerate any form of retaliation against you for Speaking Up. After all, Speaking Up is essential for us to sustain our reputation, success and ability to operate – both now and in the future.

What is the purpose of this Speak Up Policy?

The purpose of this policy is to explain how you can raise concerns about suspected misconduct in confidence and without fear of retaliation. It also describes what you can expect from the LSBU Group if you Speak Up.

Who can speak up?

This Speak Up policy is available to everyone working for or studying with the LSBU Group (or parents of younger learners). It is also open to any party with whom the LSBU Group has or has had some type of business relationship (such as business partners, suppliers and agents) who wish to raise a concern about possible misconduct within the LSBU Group.

2. Scope of the speak up policy

What concerns are covered by this Speak Up policy?

This Speak Up policy can be used to raise concerns about suspected misconduct by any employees or governors or directors within the LSBU Group, that is: any violation of the law, our Values and/or our policies. Employees are expected to report any fraud or suspicion of fraud in good faith as explained in the Anti-Fraud Policy.

Examples of concerns that can be raised using this Speak Up policy are:
- financial malpractice, impropriety or fraud;
- breaches of financial controls, false accounting/reporting, financial and other reporting irregularities;
- academic malpractice;
- failure to comply with LSBU's legal or regulatory obligations – for example about the health and safety of students, employees or the public, anti-discrimination legislation, trading standards or environmental protection laws;
- unethical business conduct, for example where colleagues receive or solicit anything of value from a third party or promise, offer or give anything of value to influence the decision of a third party in procurement or contract execution for LSBU;
- any criminal activity;
- institutional bullying, harassment, discrimination or victimisation of others; (please refer first to relevant anti-bullying and harassment policy of each institution)

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1 The LSBU Group consists of London South Bank University, South Bank Academies, South Bank Colleges, South Bank University Enterprises Ltd and SW4 Catering Ltd

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- colleagues who are involved in the taking, buying, selling of drugs or other forms of substance abuse; failure to comply with LSBU's legal or regulatory obligations – for example about the health and safety of students, employees or the public, anti-discrimination legislation, trading standards or environmental protection laws;
- unethical business conduct, for example where colleagues receive or solicit anything of value from a third party or promise, offer or give anything of value to influence the decision of a third party in procurement or contract execution for LSBU;
- any criminal activity;
- institutional bullying, harassment, discrimination or victimisation of others; (please refer first to relevant anti-bullying and harassment policy of each institution)
- colleagues who are involved in the taking, buying, selling of drugs or other forms of substance abuse;
- behaviour which might damage the reputation of any organisation in the LSBU Group;
- serious breach of the Values of any organisation in the LSBU Group
- actions intended to hide any of the above.

Speak Up is not about complaints relating to your personal circumstances and please note that this policy does not apply to the following:
- any grievances you may have in relation to your terms of employment;
- matters which should be raised under grievance, complaint, disciplinary or other HR procedures, or to reopen matters which have already been considered under them;
- challenges of financial or business decisions of the LSBU Group;
- settling personal disputes; or
- making accusations which you know are false. Doing so may lead to disciplinary measures.

If in doubt, please refer to other policies designed to address concerns of staff or students including but not restricted to:
- LSBU University Student Complaints Procedure
- Lambeth College Talk Back Policy
- South Bank Academies Complaints Policy
- LSBU Staff Grievance Procedure
- Lambeth College Staff Grievance Procedure
- South Bank Academies Staff Grievance Procedure

All staff policies are available on your local intranet.

3. Safeguarding your position: confidentiality and non-retaliation

31. Protection

Speaking Up is encouraged and this speak up policy is designed to offer protection to those identified in paragraph 2 who disclose such concerns, provided that the disclosure is made:

(i) in good faith, and

(ii) in the reasonable belief of the individual making the disclosure that it tends to show misconduct.

Please feel confident that you will not suffer for raising concerns in good faith about suspected misconduct. If you make an allegation in good faith, but it is not confirmed by subsequent investigation, no action will be taken against you. Any form of threat or retaliation will not be tolerated. Retaliation is treated as a disciplinary matter.

The LSBU Group takes the welfare of its staff seriously and is committed to supporting staff who Speak Up. We provide a confidential and free of charge Employee Assistance

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Programme (EAP) to support you with a wide range of advice ranging from emotional support to work and personal life issues.

32. Confidentiality

Your identity when making the allegation will be kept confidential only to those dealing with the issues raised, so long as this does not hinder or frustrate any investigation or the LSBU Group's ability to meet its legal obligations. However, the investigation process may reveal the source of the information and the individual making the disclosure may be requested to provide a statement as part of the evidence required.

33. Anonymous Allegations

You are encouraged to put your name to any disclosures you make. Concerns expressed anonymously carry less weight, but may be considered at the LSBU Group's discretion. Factors to be taken into account in exercising this discretion include:

- the seriousness of the issues raised;
- the credibility of the concern;
- any supporting evidence received; and
- the likelihood of confirming the allegation from alternative credible sources.

4. Procedures for speaking up

Our Speak Up policy allows you to raise concerns about suspected misconduct through a variety of channels. Please feel free to raise questions and concerns through any of the following Speak Up channels:

Step 1

Staff

As a general guideline, the first person to approach when raising a concern is your line manager. You may also choose to discuss your concern with a Group HR professional. If the matter remains unresolved, staff may request a meeting with the relevant manager authorised to hear a grievance in accordance with each institution's grievance policy.

Students

Students are encouraged to raise any concerns about misconduct (as set out in section 2) through the relevant complaints procedure in place within each institution. If you feel this is inappropriate, or you are dissatisfied with the outcome, you may raise your concern through the independent reporting line (see below).

If you are a student on placement and your concerns relate to the organisation in which you are placed you should, in the first instance, follow the speak up policy of that organisation. For student nurses and midwives your attention is drawn to the Nursing and Midwifery Council's guidance: *Raising concerns: Guidance for nurses, midwives and nursing associates*. Further information is available on the NMC's website: www.nmc-uk.org/Nurses-and-midwives/Raising-and-escalating-concerns

Step 2

Independent reporting line

Where you suspect misconduct and genuinely believe that the matter cannot be dealt with through the available channels set out above, you can use the external Speak Up reporting line (www.safecall.co.uk/report). This gives you the opportunity to raise concerns confidentially. The Speak Up reporting line is run by Safecall, an independent third party, and is available 24/7, 365 days a year. There are three ways to submit a report through the Speak Up reporting line by:

- phoning (free of charge): 0800 915 1571
- emailing: lsbu@safecall.co.uk
- completing a web form available at www.safecall.co.uk/report

After you complete your report (online or by phone), you will receive a unique username and password. You can use this username to log in to check progress on your report. You can check whether the person dealing with your report has feedback for you or further questions. If you want, you can provide additional information. Your username is particularly important if you choose to remain anonymous, as we can only contact you through the website in that case. All reports received via the Speak Up service are forwarded to the LSBU Group for further handling.

What kind of information do you need to provide?

When you file a report please provide as much detailed information as you have to enable us to assess and investigate your concern, such as:

- the background, history and reason for the concern;
- names, dates, places and other relevant information;
- any documents that may support your report.

A report can only be followed up if it contains sufficient information and there is a reasonable possibility of obtaining further information.

What should you do if you do not have all the facts?

We encourage you to Speak Up as soon as possible, ideally before situations get out of hand or damage is done. It is always better to report early than to wait for all the facts. If you know about or suspect misconduct, Speak Up with the facts you have. We do not expect you to have all the answers. Let us look into the matter to determine if there is a reason for concern.

Never investigate the matter yourself and do not seek evidence to build a strong case. We guarantee that no disciplinary measures or other steps will be taken against you if your genuine concern later turns out to be mistaken.

What about 'external whistleblowing'?

We strongly encourage you to raise concerns internally through one of the available channels. By Speaking Up internally, you give us the chance to look into the matter and take action if needed. In this way we can truly improve the LSBU Group together.

5. Follow up – what happens after you Speak Up?

What can you expect if you Speak Up?

The LSBU Group takes every report of possible misconduct seriously. If you submit a report, you will receive a confirmation of receipt within 5 to 7 working days, with an estimate of how long it will take to handle and assess your concern. Your report will undergo an initial review, and if necessary, it will be appropriately investigated.

You will be informed of the overall findings, i.e. whether or not the LSBU Group has established that misconduct has taken place. Please note that we will not be able to give you full details of the outcome of a case (or related actions taken) for reasons of confidentiality, privacy and the legal rights of all concerned.

If your concern is well-founded (i.e. misconduct has indeed taken place), appropriate measures will be taken where necessary and in accordance with the law and our Disciplinary Policy.

Who will act on your concerns and how?

All concerns that are received are logged into a case management system. Members of the Group Executive or, if appropriate, the Chair of the relevant Audit Committee in the LSBU Group will consider the information made available and should determine next steps following a two-phased approach:

1. Initial review and inquiries – The purpose is to assess the concern and decide if, on the face of it, it requires further review and investigation (and, if so, by whom and in which form). You may be approached for additional information.

2. Further review and investigation - If the report requires further review and investigation, a Case Manager will be assigned. The investigation itself will focus on an objective, factual analysis of the case. If needed, outside experts (e.g. lawyers or accountants) will be engaged to assist in the investigation. They will work under strict confidentiality.

The review and investigation will be conducted in an independent, fair and unbiased manner with respect to all parties involved and in accordance with relevant laws and principles (including natural justice).

Investigations will be overseen by individuals more senior than the individual against whom the complaint is made. For members of the Group Executive this means members of the LSBU Board; for members of a Board in the LSBU Group this means the Chair of that Board, for the Chairs of subsidiary company Boards this means the Chair of the LSBU Board and for the Chair of the LSBU Board this means, the senior independent governor (the SID).

Details of the case, your identity and the identity of anyone else mentioned in the report, are kept confidential throughout and after the investigation, and are only shared on a need-to-know basis.

If the matter would be more appropriately considered under another LSBU Group process, such as grievance or disciplinary you will be advised of this.

What is expected of you in connection with investigations?

If you become involved in an investigation, you need to co-operate and answer all questions completely and honestly. Lying to the people performing the investigation as well as delaying, interfering with or refusing to cooperate with an investigation may lead to disciplinary measures. All parties involved, including the accused, are entitled to confidentiality in order to avoid unnecessary damage to their reputation. Therefore, if you participate in or learn about an investigation, you must keep the matter confidential.

What to do if you have a concern about the follow-up on a report?

If you believe that your concern or a concern raised against you has not been handled appropriately or that an investigation has not been performed correctly, please write to the Chair of the relevant Board, c/o the Group Secretary at 103 Borough Road, SE1 0AA, marking the envelope *"Personal and Confidential: please forward"*.

In your correspondence please state the grounds for dissatisfaction which may cover the following and, where relevant, provide supporting evidence:
• There is evidence of procedural irregularity, or
• There is evidence of prejudice or bias, and/or
• There is further evidence that was not available at the time the original disclosure was made.

6. Monitoring and Review

A brief anonymised report of all disclosures and any actions taken will be regularly reported to the Group Audit and Risk Committee.

The Group Secretary will report to the Group Audit and Risk Committee annually on the effectiveness of this policy and will ensure that periodic reviews are carried out.

Approved by the Group Audit and Risk Committee on 12 February 2020

7

Paper title:	Reportable events update
Board/Committee:	Group Audit and Risk Committee
Date of meeting:	11 February 2021
Author(s):	Michael Broadway, Deputy University Secretary
Sponsor(s):	James Stevenson, Group Secretary
Purpose:	For Information
Recommendation:	The committee is requested to note the update.

Reportable events since the last committee meeting

No reportable events have been notified to the OfS since the last GARC meeting.

The Executive has reviewed and agreed that the cyber incident is not a reportable event on the basis that the recovery is running to plan and Moodle was restored week commencing 25 January 2021. The situation and whether it is reportable continues to be monitored by the Executive.

The incident is not currently being treated as a fraud (fraud is reportable to the OfS) as the Executive is not aware of any financial loss from the incident. The investigation continues.

The committee is requested to note the update.

	CONFIDENTIAL
Paper title:	Group Audit and Risk Committee effectiveness review
Board/Committee	Group Audit and Risk Committee
Date of meeting:	11 February 2021
Author:	Kerry Johnson, Governance Officer
Sponsor:	Duncan Brown, Chair of the Group Audit and Risk Committee
Purpose:	For approval
Recommendation:	The Committee is requested to approve the proposed review format.

Executive summary

Following best practice and recommendation by the CUC in Element 6 of the new HE Audit Committee Code of Practice, the Group Audit and Risk Committee is expected to regularly review its own effectiveness.

The Chair proposes to carry out an effectiveness review using the CUC's self-assessment guide (see appendix A) as a basis for the review.

GARC members, Executive attendees and internal and external auditors will be asked to complete the self-assessment questionnaire.

Follow-up interviews will then be held in order to explore the answers in more depth. As the review requires a degree of independence, it is proposed that these interviews are conducted by the Senior Independent Governor.

The governance team will collate and analyse the responses and the results of the effectiveness review, with recommendations agreed with the Chair and moderated by the SIG, will be reported to the 15 June 2021 meeting of GARC.

CUC Audit Committee Code of Practice: Audit Committee self-review questionnaire

Theme 1: Committee focus

1. The Committee has clear and agreed terms of reference.

2. The Committee has a clear understanding of its roles and responsibilities.

3. The Committee has made a conscious decision about how it wants to operate in terms of the level of information it would like to receive.

4. Committee members contribute regularly across the range of issues discussed.

5. The Committee is fully aware of the key controls, sources of assurance and who provides them, and who is responsible for mitigating the key risks to the institution.

6. The Committee clearly understands and receives assurances and oversees controls to manage/operate key functions.

7. Consideration is given to all the areas within the Committee's remit, appropriate to the significance and risk to the institution.

Theme 2: Committee team working

8. The Committee has the right balance of experience, diversity, knowledge and skills to fulfil the role described in its terms of reference.

9. The Committee has at least one member who has a good understanding or experience of auditing.

10. The Committee has at least one member who has a recent and relevant accounting background.

11. The Committee has structured its agenda to cover all areas within its remit.

12. The Committee builds constructive professional relationships with both internal and external auditors.

13. The Committee ensures that the relevant manager attends meetings to enable it to secure the required level of understanding of the reports and information it receives.

14. Management fully briefs the Committee in relation to the key risks, assurances and gaps in control/assurance in a timely fashion.

15. Members feel sufficiently comfortable within the Committee environment to be able to express their views, doubts and opinions.

16. Members understand the information discussed at meetings.

17. When a decision has been made or action agreed, members feel confident that it will be implemented as agreed and in line with the timescale set down.

Theme 3: Committee effectiveness

18. The quality of Committee papers received allows members to perform their roles effectively.

19. The timeliness of Committee papers received allows members to perform their roles effectively.

20. Members provide real and genuine challenge.

21. Debate can flow, and conclusions are reached, without being limited by time constraints etc.

22. Each agenda item is 'closed off' appropriately so that members are clear what the conclusion is, who is doing what, when and how, and how progress will be monitored.

23. The Committee provides a written summary report of its meetings to the governing body.

24. There is a formal, regular appraisal of the Committee's effectiveness. The appraisal is evidence-based and considers the views of members and external contributors.

Theme 4: Committee engagement

25. The Committee reviews internal audit plans, ensuring appropriate internal audit coverage of key control systems and the proper degree of coordination of work between the internal and external auditors.

26. The Committee reviews the external audit scope and approach, ensuring members understand and are satisfied with the extent of audit work anticipated and the level of assurance obtained.

27. The Committee actively challenges management to gain a clear understanding of key matters.

28. The Committee is clear about its relationship with the governing body.

Theme 5: Committee leadership

29. The Committee Chair has a positive impact on Committee performance.

30. Committee meetings are chaired effectively and with clarity of purpose and outcome.

31. The Committee Chair allows debate to flow freely and does not assert their own views too strongly.

Theme 6: LSBU Group

32. The Committee is clear about the relationship it has with the Audit Committees of each entity in the LSBU Group.

33. The Committee has an appropriate level of oversight of the risk framework and system of internal control of LSBU subsidiaries.

34. Internal audit reports from SBC and SBA are provided to the Committee for information on a regular basis.

35. The Committee receives sufficient assurance from the SBC and SBA Audit Committees.

Questions to be answered by the SIG/Board

1. The Committee Chair provides clear and concise information to the governing body on the activities of the Committee and the implications of all identified risks, gaps in control and assurances.

2. The governing body understands the reporting from the Committee.

Paper title:	Committee business plan, 2020/21
Board/Committee	Group Audit and Risk Committee
Date of meeting:	11 February 2021
Author:	Kerry Johnson, Governance Officer
Sponsor:	Duncan Brown, Chair of the Committee
Purpose:	To inform the committee of its annual business plan
Recommendation:	To note the committee's annual business plan

Group Audit and Risk Committee Business Plan

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

As agreed at the meeting of 5 November 2015, the committee's business plan is a standing item on agendas.

The plan lists regular items. Ad hoc items will be discussed as required.

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

	Oct	Nov	Feb	June
Anti-bribery policy review				x
Audit Committee Annual Report to Board		x		
Audit Committee business plan	x	x	x	x
Membership and Terms of Reference - approve	x			
Speak up report	x	x	x	x
Speak up policy review			x	
Annual Report and Accounts		x		
Anti-fraud policy review				x
Anti-fraud, bribery and corruption report	x	x	x	x
Data assurance report		x		
Debt write off - annual				x
Draft public benefit statement	x			
Draft corporate governance statement	x			
External audit findings		x		
External audit letter of representation		x		
External audit management letter		x		
External audit performance against KPI's		x		
External audit plan				x
External auditors - non-audit services	x			

GDPR/data protection update	x	x	x	x
Internal audit annual report	x (draft)	x (final)		
Internal audit plan - approval				x
Internal audit progress reports	x	x	x	x
Internal audit reports (inc continuous audit)	x	x	x	x
Internal Controls - review	x			
Pensions assumptions	x			x
Corporate Risk	x	x	x	x
Detailed review of risk register	x			
Risk strategy and appetite				x
Going concern statement		x		
TRAC return to OfS - (by email in Jan)			x	
Value for money report, annual [TBC]				x
Modern slavery act statement		x		
Prevent annual return		x		
OfS reportable events	x	x	x	x

Meeting of the Group Audit and Risk Committee

4.00pm on Thursday, 11 February 2021
via MS Teams

Supplement : Internal audit follow-up report

Paper title:	Internal Audit Follow-up
Board/Committee	Group Audit and Risk Committee
Date of meeting:	11 February 2021
Author:	BDO
Sponsor:	Richard Flatman, Group CFO
Purpose:	For information
Recommendation:	The Committee is requested to note the report.

Executive summary

The attached report shows progress with implementing actions from previous audits.

Recommendation

That the Committee note the report.

INTERNAL AUDIT FOLLOW UP REPORT

LONDON SOUTH BANK UNIVERSITY

February 2021

IDEAS | PEOPLE | TRUST

BDO

CONTENTS

Restrictions of use

INTERNAL AUDIT RECOMMENDATION FOLLOW UP

Executive Summary

The Audit and Risk Committee is required to assess whether internal audit recommendations previously made to address control weaknesses have been effectively implemented. This report provides an update on the current position. Our assessment of recommendations that are overdue is based on the original agreed date for implementation. For 2017/18 and 2018/19 we have brought forward outstanding recommendations as at 31 July 2020.

Current status

As at 5 February 2021:

2017/18	2018/19	2019/20
LSBU	LSBU	LSBU
The 1 recommendation brought forward has been completed but not verified.	Of the 11 recommendations brought forward:	Of the 77 recommendations raised:
SBC	▶ 2 have been completed	▶ 17 have been completed
Of the 2 recommendations brought forward:	▶ 3 have been completed but not verified	▶ 21 have been completed but not verified
▶ 1 has now been closed	▶ 1 is overdue but in progress	▶ 36 are overdue but in progress
▶ 1 is complete but not yet verified	▶ 5 have been superseded by a BDO recommendation	▶ 3 are not yet due
	SBC	SBC
	No recommendations were brought forward:	Of the 22 recommendations raised:
	SBA	▶ 4 have been completed
	The 1 recommendation brought forward has now been completed.	▶ 11 are overdue but in progress
		▶ 7 are not yet due
		SBA
		Of the 17 recommendations raised:
		▶ 3 have been completed
		▶ 6 have been completed but not verified
		▶ 7 are overdue but in progress
		▶ 1 is not yet due

Full details of the status of these recommendations are set out from page 4. We've included details of those recommendations we wish to bring to the Audit and Risk Committee's attention; for example where implementation dates have changed or where no response has been received.

Due to system issues we have not escalated any from the LSBU financial controls or Group IT audit.

This report has been submitted late as management initially intended to provide a separate update on progress towards implementing the UKVI Tier 4 recommendations. However, these have now been included in this paper. We were also waiting for responses for the SBA financial controls recommendations.

INTERNAL AUDIT RECOMMENDATION FOLLOW UP SUMMARY 2017/18
LSBU

Audit Title	Significance (definition at appendix 1)				Total b/fwd	Complete	Complete not verified	Superseded	Overdue but in progress	Overdue	Not yet due
	🔺	🟧	🟢	No rating							
International Partnership Arrangements	0	1	0	0	1	0	1	0	0	0	0
Total	0	1	0	0	1	0	1	0	0	0	0

Status as at January 2021:
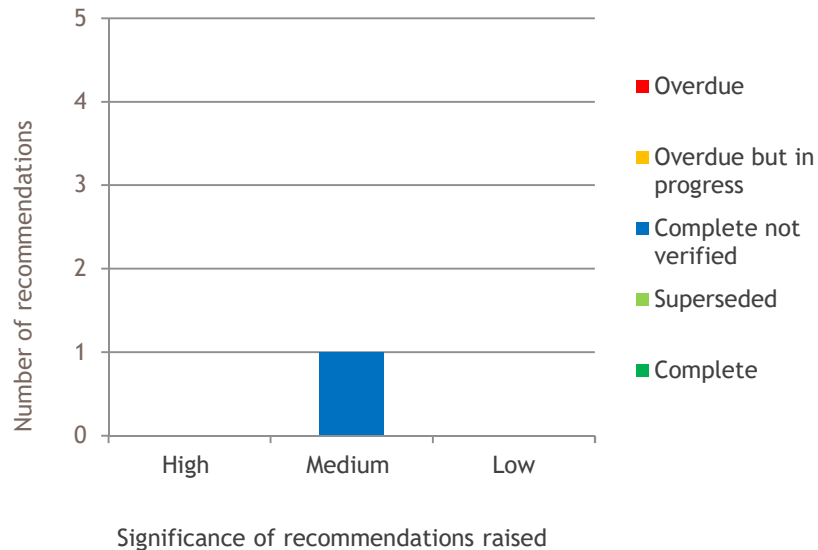
Status as at October 2020:
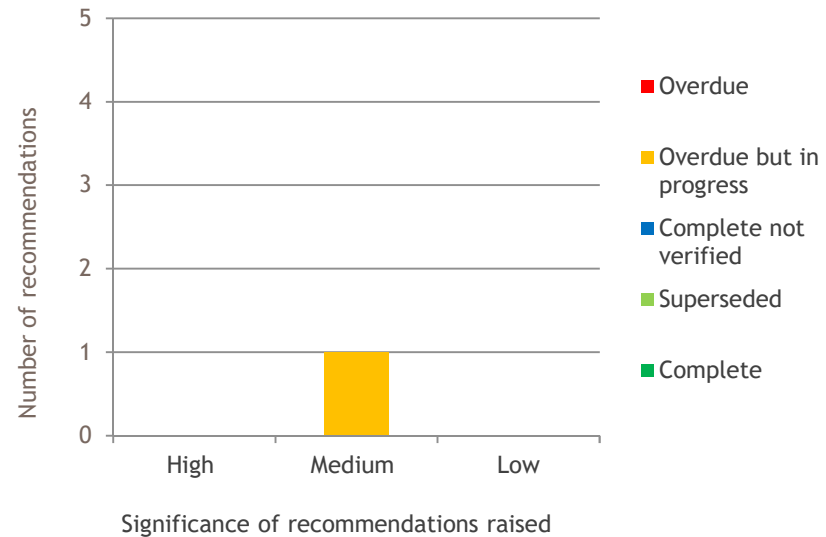
INTERNAL AUDIT RECOMMENDATION FOLLOW UP SUMMARY 2017/18
SBC

Audit Title	Significance (definition at appendix 1)				Total b/fwd	Complete	Complete not verified	Superseded	Overdue but in progress	Overdue	Not yet due
	🔺	🟧	🟢	No rating							
Curriculum Planning	0	1	1	0	2	1	1	0	0	0	0
Total	0	1	1	0	2	1	1	0	0	0	0

Status as at January 2021:

Significance of recommendations raised

Status as at October 2020:

Significance of recommendations raised
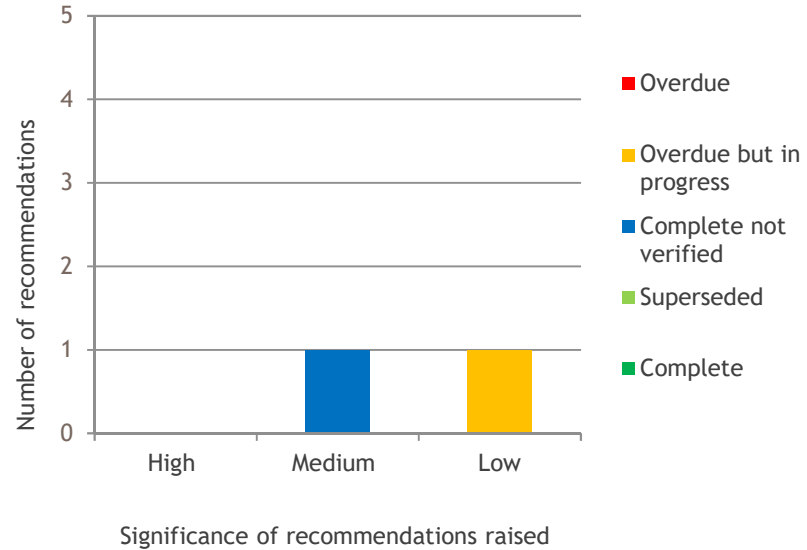
INTERNAL AUDIT RECOMMENDATION FOLLOW UP SUMMARY 2018/19
LSBU

Audit Title	Significance (definition at appendix 1)				Total b/fwd	Complete	Complete not verified	Superseded	Overdue but in progress	Overdue	Not yet due
	🔺	🟧	🟢	No rating							
CMA Compliance	0	3	0	0	3	2	1	0	0	0	0
Procurement	0	1	0	0	1	0	0	0	1	0	0
Continuous Auditing: Key Financial Systems	0	0	1	1	2	0	1	1	0	0	0
Risk Management	0	0	0	3	3	0	0	3	0	0	0
Continuous Auditing: Student Data	0	0	0	2	2	0	1	1	0	0	0
Total	0	4	1	6	11	2	3	5	1	0	0

Status as at January 2021:

Status as at October 2020:

6
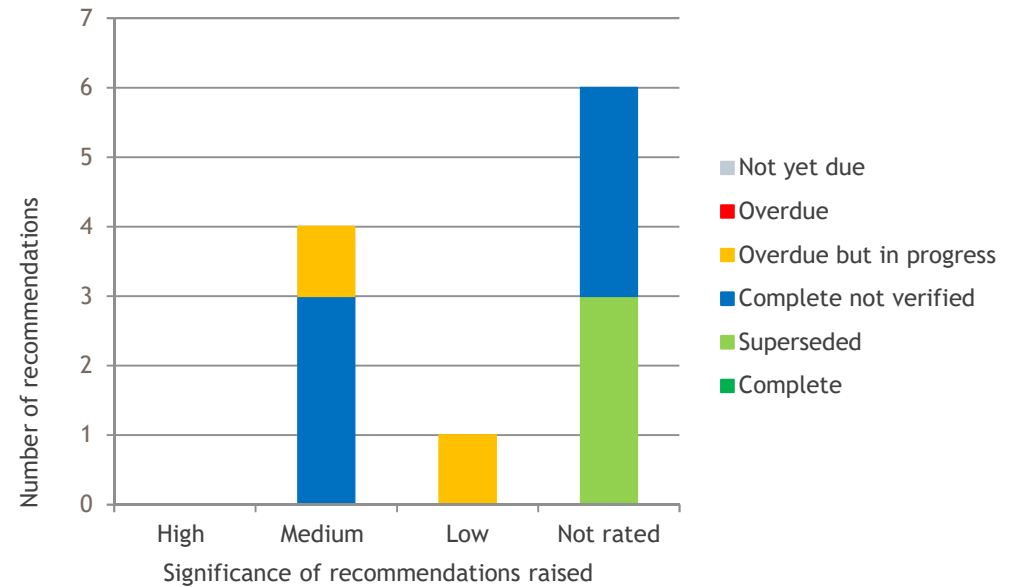
INTERNAL AUDIT RECOMMENDATION FOLLOW UP SUMMARY 2019/20
LSBU

Audit Title	Significance (definition at appendix 1)				Total raised	Complete	Complete not verified	Superseded	Overdue but in progress	Overdue	Not yet due
	▲	🟧	🟢	No rating							
Financial Controls (AP and payroll)	2	4	3	0	9	5	1	0	3	0	0
UKVI Tiers 2 and 5	0	7	0	0	7	3	1	0	3	0	0
Student Data 1	0	3	4	0	7	3	2	0	2	0	0
REF	0	4	4	0	8	3	0	0	5	0	0
Financial Controls – Accounts Receivable	1	8	2	0	11	1	4	0	6	0	0
Data Quality – HESA Student Return	0	1	2	0	3	0	2	0	0	0	1
Information Security	4	8	0	0	12	0	3	0	7	0	2
Apprenticeships	0	2	1	0	3	0	2	0	1	0	0
Estates	0	1	3	0	4	2	0	0	2	0	0
Family transition	0	0	1	0	1	0	1	0	0	0	0
Student data 2	0	1	2	0	3	0	1	0	2	0	0
UKVI Tier 4	1	6	2	0	9	0	4	0	5	0	0
Total	**8**	**45**	**24**	**0**	**77**	**17**	**21**	**0**	**36**	**0**	**3**

INTERNAL AUDIT RECOMMENDATION FOLLOW UP SUMMARY 2019/20
LSBU

Status as at January 2021:

Status as at October 2020:

2019/20 MEDIUM AND HIGH SIGNIFICANCE OVERDUE RECOMMENDATIONS
LSBU

UKVI Tier 4 (#2)							
Finding	Recommendation / agreed action	Sig.	Original Due date	Revised due date	Resp. Person	Update	Status
The Immigration and Compliance team (I&C) does not have visibility around changes to course dates.	1) Agree ownership of course start/end dates data and information with Registry and TQE. 2) Own technical change of the current Student Record System (V4) to allow for the system to show pre-populated start/end course dates, placement dates and early completion dates. Creation of updated reports in Launch Pad (Student Record System Reporting tool) to reflect the changes in the Student Record System. 3) Creation audit report to provide assurance of accuracy of reports in relation to enrolment records and dates. 4) Conduct audit reports to identify anomalies pre-start of each semester after CAS deadline (ensuring CAS assigned are correct).	▮	1) 31/08/2020 2) 15//10/2020 3) 21/09/2020 4) twice a year after the CAS deadline	31/03/2021	1) Marc Griffith/Sally Skillet-More and Ralph Sanders 2) Lisa Upton/Paul Prendergast 3) Lisa Upton/Tracy Preston/ - design 4) Anjali Frank - implementation	Jan 2021 – Parts 1,3,4 completed not verified Part 2 - Ownership of course duration data on QL owned by Registry. QL has been briefed to add course end dates to SRS from end of March.	1,3,4) completed not verified 2) Overdue but in progress

2019/20 MEDIUM AND HIGH SIGNIFICANCE OVERDUE RECOMMENDATIONS
LSBU

UKVI Tier 4 (#4)							
Finding	**Recommendation / agreed action**	**Sig.**	**Original Due date**	**Revised due date**	**Resp. Person**	**Update**	**Status**
The Tier 4 student attendance monitoring (SAM) report is inaccurate and requires extensive manual checking. Not all lecture rooms at the University are correctly mapped to the SAM report and so attendance at lectures delivered at these is not picked up in the SAM report. NB UKVI requires sponsors to report whether students have missed ten consecutive contact points which can include formal academic and pastoral care activities such as lectures, examinations, tutorials and meetings with welfare advisors. Due to the technical difficulties in accurately recording student attendance for taught courses as described above LSBU has taken the approach of monitoring student attendance at lectures or seminars over a three week period. If students fail to attend at least one timetabled lecture or seminar in that period the Attendance policy is triggered. There is a risk that attendance monitoring is inaccurate and overly resource intensive. See also Observation 1 in relation to attendance monitoring during Covid-19.	Ahead of UKVI attendance monitoring policy changes (preview of changes available in October 2020) from expected contact points to academic engagement, review attendance/ engagement as follows: 1) Set up robust contact points from September 2020 until December 2020. Current SAM report to be reviewed to reflect expected contact points against actual student contact points. 2) To enhance the Tier 4 Attendance Monitoring Policy and put reporting in place for January 2021 to comply with new UKVI changes.	🟧	1) 21/09/2020 2) 25/09/2021	TBC	1) Gary Smith and Ken Rose - design. Nuria Prades to approve 2) Gary Smith and Ken Rose – design. Nuria Prades to approve	Jan 2021 - A new suite of reports is in development to monitor engagement for all students including Tier 4, considering on campus contact points, individual module engagement on Moodle, engagement with MyLSBU and Library usage. This will be adjusted to account for the revised UKVI guidance.	Overdue but in progress

2019/20 MEDIUM AND HIGH SIGNIFICANCE OVERDUE RECOMMENDATIONS
LSBU

UKVI Tier 4 (#5)							
Finding	Recommendation / agreed action	Sig.	Original Due date	Revised due date	Resp. Person	Update	Status
There is no centralised reporting and monitoring of attendance for students on research degrees, on placements and internships, or during dissertation progression. Although the Tier 4 Attendance policy sets out the roles and responsibilities for day to day attendance monitoring and case management decisions for taught, research and placement students there is only centralised attendance reporting for taught students (SAM report process). For other students responsibility is devolved to schools or the Placement team, and there is no overall visibility over this process. There is a risk of a lack of clarity around the requirements for attendance monitoring for non-taught students, and that it is not being carried out and monitored to demonstrate compliance with UKVI requirements.	1) Align reporting with taught programmes 2) Update the Tier 4 Attendance Monitoring Policy to include non-taught programmes/course components (i.e. dissertation, placements).	(orange)	1) 21/09/2020 2) 25/01 2021	28/02/21	1) Gary Smith - lead, Directors of Education and Student Experience and Director of Operations – design 2) Nuria Prades	Jan 2021 – 1) Management is investigating the possibility of using the HAPLO PGR system for dissertation and non-taught students. The system is student led for recording supervision meetings but allows academics to record notes, feedback and actions. Work placements/internships: InPlace software has recently upgraded to a package that covers the needs of T4 monitoring. Registry has been requested to include a Tier 4 flag on all school reports which include student details. REP162v01_Tier 4 Student Details is a specific report that will tell if a student is on a T4 visa, access has been granted to all School Operations Directors. 2) Tier 4 Attendance policy for taught and non-taught students has been approved.	1) Overdue but in progress 2) Completed not verified

2019/20 MEDIUM AND HIGH SIGNIFICANCE OVERDUE RECOMMENDATIONS
LSBU

UKVI Tier 4 (#6)							
Finding	**Recommendation / agreed action**	**Sig.**	**Original Due date**	**Revised due date**	**Resp. Person**	**Update**	**Status**
Tier 4 monitoring is reliant on manual spreadsheets and checking processes. I&C maintains a manual spreadsheet for tracking reportable changes to UKVI and progress in completing these. It is manually updated from QL reports and other sources of information. It is time consuming and open to human error, and not subject to system controls around the completeness and accuracy of information. There is a risk that reporting is inaccurate or incomplete and that resources are inefficiently utilised carrying out manual processes.	1) Student change of circumstances processes to be automated (withdrawal, interruption, did not enrol, did not re-enrol, early completion, third failed attempt exclusions, placement/internship). Triggered notification from within current Student Record System. Review and expand current DocuSign system. 2) Ensure T4 requirements in relation to automated process and reporting are built into the brief for U4SM.	⬛	1) 21/09/20 2) Align with LEAP release date	31/03/21	1) Lisa Upton/Paul Prendergast 2) Ralph Sanders and Lisa Upton	Jan 2021 – 1) A new report to trigger automatic emails/flags to notify Immigration and Compliance team of individual student change in circumstances has been designed. To be reviewed at end of Semester Two. 2) Minimum requirements for UKVI Compliance provided to new SRS suppliers - awaiting introduction of new system.	1) Overdue but in progress 2) Not yet due

2019/20 MEDIUM AND HIGH SIGNIFICANCE OVERDUE RECOMMENDATIONS
LSBU

UKVI Tier 2 (#1)							
Finding	**Recommendation**	**Sig.**	**Original Due date**	**Revised due date**	**Resp. Person**	**Update**	**Status**
There is no overarching policy setting out LSBU's approach to compliance with UKVI and Right to Work regulations, including workers sponsored under Tier 2 and Tier 5 and procedures are not published on the intranet.	The University should put in place an overarching UKVI policy framework with links to relevant procedures and guidance for staff. These should signpost procedures for sponsored workers under Tier 2 and Tier 5. Policies and procedures should be published on the intranet.	🟧	20/06/20	~~31/11/20~~ TBC	Marisha Drayton, Recruitment Partner	Jan 2021 - The Policy and updated procedures have been completed and is awaiting senior management review, once approved it will be uploaded to the intranet.	Overdue but in progress
UKVI Tier 2 (#2)							
The Right to Work procedure does not reference current regulations, is not sufficiently detailed and it is not clear who the intended user is.	The Right to Work procedure should cover all key aspects of the UKVI guidance, and should have embedded links to the guidance, including checklists of documents. It should be dated and version controlled, and reviewed whenever UKVI requirements change.	🟧	30/06/20	~~31/11/20~~ TBC	Edith Baker, HR Business Partner	Jan 2021 - The Policy and updated procedures have been completed and is awaiting senior management review, once approved it will be uploaded to the intranet.	Overdue but in progress
UKVI Tier 2 (#6)							
Tier 2 file checklists are not consistently reviewed and signed off.	Independent file reviews should be carried prior to CoS applications being made, and checklists should be signed and dated to evidence this. The files can be signed off by another member of the recruitment team with a sample verified by the Recruitment Partner on a monthly basis.	🟧	29/02/20	~~31/10/20~~ TBC	Marisha Drayton, Recruitment Partner	Jan 2021 - Following COVID restrictions the Recruitment Partner was not able to attend the offices to spot check files. This will be completed once it is safe to do so.	Overdue but in progress

2019/20 MEDIUM AND HIGH SIGNIFICANCE OVERDUE RECOMMENDATIONS
LSBU

REF (#1)							
Finding	**Recommendation**	**Sig.**	**Original Due date**	**Revised due date**	**Resp. Person**	**Update**	**Status**
Recommendations raised from the 2018/19 Mock REF exercise have not been developed into specific action plans or been monitored. Although some of the recommendations have been implemented, for example the creation of a war chest of 5% of the REF quality-related research funding (QR), these decisions have not been documented or actions tracked. A report outlining the findings of the 2018/19 mock REF exercise was presented to the Provost and Head of the Research Office in February 2019, with an overview presentation also given to the Research Committee. The report detailed a number of findings and associated recommendations. However, these recommendations were not actioned, tracked, nor reported to Schools. Whilst Research Centres are reviewed annually, these reviews do not follow up on the recommendations raised within the Mock REF.	The full results of the mock REF should be shared with the Research Committee, with recommendations actioned and their progress monitored at each meeting. UoA findings and recommendations should be shared with Schools. Recommendations should be agreed with the Schools, and tracked as part of the annual Research Centre reviews.	🟧	31/03/20	~~15/10/20~~ 10/02/21	Karl Smith	Jan 2021- We are in the process of completing our submission to the REF so there will not be a mock-REF this year. However, I will ensure that future MOCK-REF results are disseminated fully.	Overdue but in progress

2019/20 MEDIUM AND HIGH SIGNIFICANCE OVERDUE RECOMMENDATIONS
LSBU

REF (#2)

Finding	Recommendation	Sig.	Original Due date	Revised due date	Resp. Person	Update	Status
The REF submission is reviewed by discipline-based expert panels, assessing universities' submissions across 34 Units of Assessments (UoAs). The UOAs are comprised of three elements; research outputs, research impact, and research environment. Research outputs are measured in terms of the quality of submitted research, such as journal papers, or book chapters. This element carries a weighting of 60% in the overall outcome awarded to each submission. The following were noted with regards to research output reviews: • All approved outputs should be reviewed internally using the REF scoring system. However, School completion rates and timings are not monitored. • LSBU also commits to ensuring that ≥50% of eligible research outputs in contention for submission are reviewed by at least one reviewer external to the University. However there is no tracking in place to monitor completion rates at Research Office level and therefore no assessment of whether this target can be realistically be achieved. • Whilst annual reviews occur over Research Centres, these are not monitored as a whole over the University • The Code of Practice states that output marks will be fed back constructively to authors. Although Schools monitor this the Research Office has no tracking processes in place to monitor to what extent Schools have honoured this obligation.	The mock REF exercise should be adapted to include a section in which Schools report on their progress over completing internal and external output reviews. Directors of Research should be tasked with the responsibility of ensuring that output feedback from the reviewers is shared with the authors. A spreadsheet could be created by the Research Office, to monitor the progress of reviews across each School. Schools should communicate the number of outputs in which feedback has been provided to authors to the Research Office so it can monitor whether the target of 50% of outputs being reviewed is being achieved.	🟧	20/05/20	~~30/09/20~~ 10/02/21	Karl Smith	Jan 2021 - The noted recommendations were presented in a paper for the University Research Committee (URC) on 30 September 2020 (provided). Due to time constraints at the meeting, it wasn't precisely clear whether my recommendations will be followed through (my paper was not discussed) but the Research Office will work to implement them: a reminder will be issued in the 10 February REF URC paper.	Overdue but in progress

2019/20 MEDIUM AND HIGH SIGNIFICANCE OVERDUE RECOMMENDATIONS
LSBU

REF (#3)							
Finding	Recommendation	Sig.	Original Due date	Revised due date	Resp. Person	Update	Status
Following the REF 2014 results, the REF Coordinator developed the LSBU Roadmap for REF 2021 Success. This document outlines the targets and the action plan for achieving a stronger performance in REF 2021. However, there is no formalised process in place for monitoring the implementation of the Roadmap, as a result, actions are not tracked against set targets. There is a risk that support is not provided to critical areas, which could lead to an inability to achieve a strong performance in REF 2021 and enhancement of LSBU research income.	A structured process for monitoring agreed actions and target should be put in place to ensure the achievement of targets in a timely manner. There should be regular meeting with staff involved in the REF process to ensure that actions are discussed. The REF Coordinator should prepare a summarised progress report and this should be discussed with the Research Committee to ensure that priority and support are provided to the achievement of targets set for REF 2021 submission.	🟧	31/03/20	~~30/09/20~~ 31/07/21	Karl Smith	Jan 2021 - The Research Centre proposal submitted to the URC on 30 September 2020 has been provided, along with the REF paper presenting the REF Roadmap/submission timeline. The precise timing of the new, three year Research Centre Roadmaps needs reconsidering as producing the new Roadmaps needs to be balanced against the competing requirement in April/May 2021 of completing the Research Centre reviews. Thus, I will propose to the University Research Committee on 10 February 2021 that the Roadmaps are to be created in July 2021.	Overdue but in progress

2019/20 MEDIUM AND HIGH SIGNIFICANCE OVERDUE RECOMMENDATIONS
LSBU

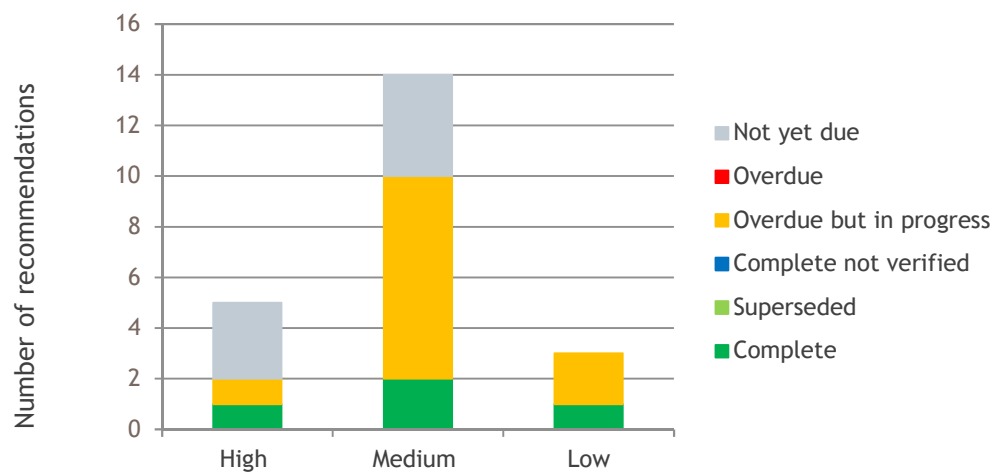| REF (#4)							
Finding	**Recommendation**	**Sig.**	**Original Due date**	**Revised due date**	**Resp. Person**	**Update**	**Status**
All REF decision makers and advisors are required to undertake REF EDI training. We received the training completion spreadsheet from the HR Department, and found that from 59 people: • Eight have not completed either the training or quiz • 12 have competed the training slides but not the quiz We also compared the training completion list to the list of Research Centre Heads, UoA leads, Directors of Research and Deans and found two names missing. Internal research output reviewers are required to have the REF EDI training. However, there is no formalised tracking at Research Office level to confirm whether this has occurred. The REF to-do list also has an incomplete action EDI Training - Internal Output Reviewers, with a due date of 10/02/20. The Code of Practice was not explicit enough as to what training the reviewers need to complete. Presentations have been given to the wider staff base on an ad-hoc basis and has not been formalised in any way or tracked. School staff meetings occur monthly, at which the REF Coordinator has given presentations. However, this has been at the request of Schools, rather than a systematic training session given to each School.	REF decision makers and advisors 1) Reminders should be sent to staff who are yet to complete the training by the HR Department. 2) The staff members who are not on the training completion list should be added and informed of the requirement to complete training. 3) A full reconciliation should be performed to ensure that all REF decision makers and advisors are aware of the need to complete the training. Internal research output reviewers 4) Communication should be issued to Schools and reviewers to re-clarify the training requirements they need to undertake. 5) Completion rates should be monitored, with reminders issued where completion rates are low. Wider staff base 6) A REF training framework should be implemented, aimed at academics/researchers who will be submitting outputs and impact case studies.	🟧	20/07/20	30/09/20	Karl Smith	Jan 21 - There remains one Research Centre Head who has not completed the EDI online training (this person has proved frustratingly difficult to engage) and LSBU has recently appointed two new Centre Heads, both of whom need to complete the training. Also, there is a School interim Dean who needs to complete the training. However, due to the cyber-incident that occurred at LSBU in late 2020, the online training is currently not accessible. Once it is live again, those identified individuals will be asked to complete training. There are understood also be five Senior School Administrators (now termed Director of Operations) who need to complete the training. These individuals will also be pursued. Otherwise, all other individuals who need to complete the training are understood to have done so.	Overdue but in progress

2019/20 MEDIUM AND HIGH SIGNIFICANCE OVERDUE RECOMMENDATIONS
LSBU

Student data (#1)							
Finding	Recommendation	Sig.	Original Due date	Revised due date	Resp. Person	Update	Status
The way in which the University monitors student engagement through the Student Point of Contact (SPOC) report is not useful and the way in which it operates the Student Engagement procedure is inefficient.	LSBU should review how it monitors student engagement and whether the factors monitored can be adapted for different courses/subjects 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 (a process should be created to obtain these dates from timetabling with clear timeframes to ensure these dates are obtained prior to the academic year).		31/05/20	30/09/21	Jamie Jones	Aug 20 - The intended review changed quite radically due to the Covid-19 pandemic and the fact that teaching moved to remote delivery in April 2020. Working with ICT, we established systems/reports that could monitor students online engagement with their studies. Summer 2020, we are currently working with schools to decide how to monitor both on campus and online engagement from students in Semester 1.\n\nThe 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.	Overdue but in progress

2019/20 MEDIUM AND HIGH SIGNIFICANCE OVERDUE RECOMMENDATIONS
LSBU

Apprenticeships (#1)							
Finding	Recommendation	Sig.	Original Due date	Revised due date	Resp. Person	Update	Status
Unit4 is largely populated through manual data entry. There is a key dependency on the Apprenticeship Administrator, as they are the only member of staff who inputs the data into Unit4.	The University should consider implementing a student records system that allows for the automatic input of data from the student application systems and apprenticeship paperwork. The data fields should be identified and mapped to the source documents, and data quality checks should be completed to ensure the data is feeding through accurately. In addition, the University should review the allocation of resources to assist with data entry into the Unit4 system, and the correction of errors identified in the ILR return. An automated data entry system would help to reduce the pressure on resources, but additional resources should be used in the interim.	🟧	30/11/20	TBC	Head of Registry/Group Director of Apprenticeship	Jan 21 - Following the meeting with Unit4S about apprenticeship needs it was not confirmed what the SRS would provide with changes. It was however confirmed that it would look at our requirements further and use some of the project underspend to develop what we need. There were no timeframes given.	Overdue but in progress

INTERNAL AUDIT RECOMMENDATION FOLLOW UP SUMMARY 2019/20
SBC

Audit Title	Significance (definition at appendix 1)				Total raised	Complete	Complete not verified	Superseded	Overdue but in progress	Overdue	Not yet due
	🔺	🟧	🟢	No rating							
Financial Controls	2	2	1	0	5	1	0	0	4	0	0
Information Security	2	7	1	0	10	0	0	0	7	0	3
Health and safety	1	5	1	0	7	3	0	0	0	0	4
Total	5	14	3	0	22	4	0	0	11	0	7

Status as at January 2021:

Status as at October 2020:

2019/20 MEDIUM AND HIGH SIGNIFICANCE OVERDUE RECOMMENDATIONS
SBC

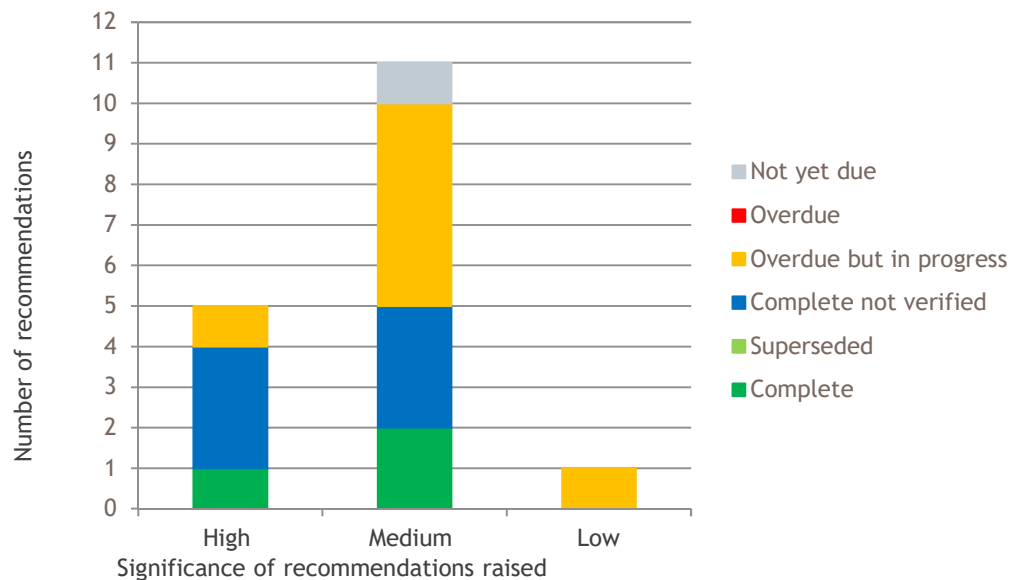| Financial controls (#2)							
Finding	Recommendation	Sig.	Original Due date	Revised due date	Resp. Person	Update	Status
Supplier bank detail changes are not independently verified with the respective supplier and there is a lack of segregation of duties over the setting up of suppliers and changing their bank details.	The AP team should implement an additional step into the supplier change process whereby it contacts the key contact at the supplier to check whether the bank detail change is genuine. Management should assess whether exception reporting could be introduced to check amendments to the supplier master file prior to payment runs being processed. The individual who carries out this check should not have edit access to the supplier master file. Management should explore whether an extra workflow control step could be introduced within Agresso whereby the Finance Director (or someone who does not have edit access to the supplier master file in Agresso) approves the bank detail change rather than the use of a hardcopy form.	▲	ASAP	~~31/10/20~~ 31/08/21	Bridget Omakobia, Head of Finance, Payroll and Pensions	Jan 21 - At the university we are planning on implementing workflow approval on Agresso for changes to supplier bank details and we can roll this out to SBC shortly afterwards – target date Aug 2021. In the meantime the team are maintaining the additional step of ringing the supplier to verify bank details.	Overdue but in progress

2019/20 MEDIUM AND HIGH SIGNIFICANCE OVERDUE RECOMMENDATIONS
SBC

Financial controls (#3)							
Finding	Recommendation	Sig.	Original Due date	Revised due date	Resp. Person	Update	Status
We identified two issues with regards to the accounts payable process at the College. Firstly, Goods receipt notes (GRN) are not sent to the Accounts Payable Officer upon receipt by the relevant departments. Secondly, POs raised in Symmetry, relating to invoices not paid before the cut-off (August 2019) have not been migrated across to Agresso. Although the AP Officer and the Finance and Procurement Officer can access Symmetry to check if a PO has been raised previously there is nothing documented in Agresso that there is a PO.	The College's Financial Regulations should be updated to align with the University's Financial Regulations to require goods/service receipting by the budget holder/department that originally requested the goods/service. The AP team should not process invoices for payment until it has received confirmation that goods/services have been received. This control should be built into Agresso (in line with the University's control framework) so that the GRN is linked to the PO and the invoice, and that a three way match (GRN, PO and invoice) can be made prior to payment being made. The AP team should ensure that a check of Symmetry is performed prior to processing invoices for payment. It should investigated whether the relevant POs can be transferred across and if not, the PO number should at least be recorded in Agresso.	🟧	ASAP	30/04/21	Bridget Omakobia, Head of Finance, Payroll and Pensions	Jan 21 - This process will change once P2P on Agresso is implemented. The target had been for this to be rolled out from January 2021 but will now be delayed due to the IT outage.	Overdue but in progress

2019/20 MEDIUM AND HIGH SIGNIFICANCE OVERDUE RECOMMENDATIONS
SBC

Financial controls (#4)							
Finding	Recommendation	Sig.	Original Due date	Revised due date	Resp. Person	Update	Status
The supplier due diligence process is inadequate and evidence to support the checks that are carried out is not retained. At present the AP Officer checks the Companies' House website to corroborate supplier details provided on the new supplier form. Once the AP Officer is satisfied the company exists and the details match, the AP Officer will continue to on-board the new supplier. For a sample of five suppliers there was no evidence on file to evidence that this process had been carried out. There are no financial checks performed on the supplier and the Financial Regulations do not contain information regarding the supplier due diligence process nor what checks are expected to be performed. There are also no procedures in place for this process. There is a risk that without a more robust and documented due diligence process and inappropriate suppliers will be engaged with. The new supplier guidance issued by the University specifically states that the financial stability of the company should be checked through a credit check on the supplier.	The due diligence requirements should be reviewed and updated to include financial checks. The due diligence checks carried out on each supplier should be retained to evidence that appropriate checks have been carried out.	🟧	ASAP	TBC	Bridget Omakobia, Head of Finance, Payroll and Pensions	Jan 21 - The on-boarding of new suppliers will be covered by the project described for #2 for changes to supplier bank details. The college does not have procurement support at present, we may be able to put in place a process to ensure suitable suppliers are being selected.	Overdue but in progress

INTERNAL AUDIT RECOMMENDATION FOLLOW UP SUMMARY 2019/20
SBA

Audit Title	Significance (definition at appendix 1)				Total raised	Complete	Complete not verified	Superseded	Overdue but in progress	Overdue	Not yet due
	🔺	🟧	🟢	No rating							
Financial Controls	4	4	0	0	8	3	4	0	1	0	0
Information Security	1	7	1	0	9	0	2	0	6	0	1
Total	5	11	1	0	17	3	6	0	7	0	1

Status as at January 2021:

Status as at October 2020:
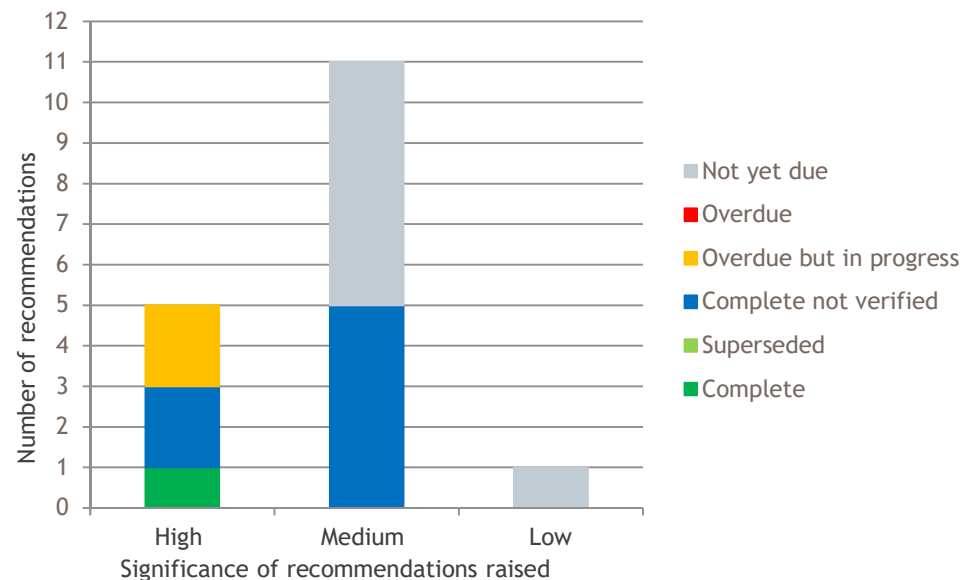
2019/20 MEDIUM AND HIGH SIGNIFICANCE OVERDUE RECOMMENDATIONS
SBA

Financial controls (#2)							
Finding	Recommendation	Sig.	Original Due date	Revised due date	Resp. Person	Update	Status
There is a lack of segregation of duties over the accounts payable process. The process is manual and does not have system based approvals.	Management should explore whether system enforced approvals/workflow can be added to PS Financials for the accounts payable process. Segregation of duties should be implemented for the accounts payable process and the Finance Officer and Finance Assistant roles should be restricted so they are unable to carry out the majority of the process by themselves. Some parts of this role (raising of POs and goods receipting) could be split between the two finance roles or delegated to school staff. A check should also be implemented to ensure that the payment listing and payments uploaded to the bank account agree.	▲	29/02/20	~~30/06/20~~ ~~31/10/20~~ 28/02/21	Helena Abrahams Trust Business Manager	Jan 21 – 1) e-procurement is now implemented in both schools and budget holders raise their own requisitions and goods receipts through the PS purchasing system. 2) The check to confirm whether the payment listing and the payments uploaded to the bank account agree has yet to be fully implemented. This is planned for February 2021.	Overdue but in progress

2019/20 MEDIUM AND HIGH SIGNIFICANCE RECOMMENDATION TO CLOSE
SBA

Financial controls (#1)							
Finding	Recommendation	Sig.	Original Due date	Revised due date	Resp. Person	Update	Status
When invoices are added to the system, the VAT element can be amended and there is no tolerance built into the system nor a system control to check if it aligns to the net amount and VAT code. The Finance Officer demonstrated this to us through inputting a dummy invoice: o Quantity: one o Vat code: Z (zero-rated supply) o Net amount: £3.50 The VAT amount was then inserted as £500 and PS Financials accepted the entry. This amended the gross amount of the line on the invoice to £503.50. This could have been posted and added to the payment listing. The amount of VAT is not visible at payment listing stage and therefore incorrect VAT amounts could be paid.	Investigate the VAT issue with PS Financials to determine whether this issue can be resolved or alerts built into the system where the VAT input is inaccurate.	▲	29/02/21	N/A	Helena Abrahams Trust Business Manager	Jan 21 - The function to set tolerances of VAT or deactivating the VAT override is no longer available in PSF.	This was the last remaining action from this finding and therefore we propose this is now closed as action cannot be taken.

APPENDIX I – DEFINITIONS

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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