**Minutes of the meeting of the Group Audit and Risk Committee
held at 4.00 pm on Thursday, 13 February 2020
Technopark, SE1 6LN**

Present
Duncan Brown (Chair)
John Cole
Rob Orr (from minute 12)

Apologies
Mark Lemmon

In attendance
David Phoenix
Natalie Ferer
Richard Flatman
Kerry Johnson
Nicole Louis (to minute 7)
James Stevenson
Jack Stapleton (KPMG - external auditor)
Gemma Wright (BDO - internal auditor)

1.   **Welcome and apologies**

     The Chair welcomed members to the meeting.

     Apologies were received from Mark Lemmon.

2.   **Declarations of interest**

     No interests were declared on any item on the agenda.

3.   **Minutes of the previous meetings**

     The committee approved the minutes of the meeting of 7 November 2019 and
     their publication, subject to one minor amendment.

     The committee approved the minutes of the written decisions of 20 November
     2019 and 29 January 2020 and their publication.

4.   **Matters arising**

     The committee noted that the updated Group Risk Policy was still work-in-
     progress and would now come to the next meeting in June 2020. An updated
     risk register would be circulated to the committee electronically prior to the
     meeting of the Board of Governors in March 2020. The committee noted that
     significant work had been carried out on these matters but needed to reflect
     the future target operating model.

The committee noted that the quality assurance report and cybersecurity update would come to the committee at its June 2020 meeting.

All other matters arising were noted as having been completed.

5. **Internal audit: progress report**

The committee noted the internal audit progress report on the 2019/20 plan, which was on track.

6. **Internal audit follow-up report**

The committee reviewed the internal audit follow-up report, noting that approximately 63% of recommendations had been completed and that all high-risk recommendations had either been completed or were in progress.

The committee agreed that future follow-up reports would include a summary of completed recommendations as an appendix. The internal auditors agreed to consider alternative formats for their reports in future to increase clarity of conclusions. The Chair requested that target dates for actions were realistic rather than amended.

7. **Internal audit: UKVI Tiers 2 and 5**

The committee noted the internal audit report on UKVI Tiers 2 and 5, which provided limited assurance over the design of controls and moderate assurance over the effectiveness of the controls in place. It was noted that the seven medium risk findings had been accepted by management, and that actions were underway to address the findings. Those actions were due to be completed between March and June 2020.

The committee noted that the HR team would carry out sample testing on documentation going forward. The committee advised the Executive to consider what additional tests could be carried out in addition to random sampling.

Nicole Louis left the meeting.

8. **Internal audit: Student data**

The committee noted the internal audit report on student data, which provided a moderate level of assurance for control design and a moderate level of effectiveness for the controls put in place to safeguard the quality of student data. The committee congratulated the team responsible for the positive outcome of this audit.

9. **TRAC (T) update**

The committee noted the update on the TRAC (T) report, due to be submitted to the Office for Students (OfS) by 28 February 2020. The committee was advised that the OfS had raised a query regarding the TRAC return (submitted 31 January 2020), which related to their reconciliation to the Group's five year forecast.

It was noted that there was a need to ensure that the key person risk on the TRAC and TRAC (T) return preparation was mitigated, and that a review of the processes for compiling the data for both returns, and completing the returns themselves, would be beneficial well before the next cycle of returns preparation starts.

10. **Group Speak Up Policy and report**

The committee noted that no new speak up matters had been reported since the previous meeting. The committee noted that a previously reported matter had been reviewed by the Chair and found it raised no new matters.

The committee received the new draft speak up policy, which had been reviewed to make the policy clearer and more user friendly. The policy also included procedures for speaking up against Governors, including the Chair. Following discussion, the committee agreed to approve the draft speak up policy.

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

The committee noted the report. One instance of theft of computer equipment had been identified and reported to the Metropolitan Police, and one member of staff had been suspended pending a disciplinary investigation. It was noted that the University's Data Protection Officer had assessed the risk from a data protection point of view, and had determined that the matter was not reportable to the Information Commissioner.

12. **Reportable/notifiable events to the OfS**

The committee discussed the paper, which presented a draft framework for reportable events to the OfS, including definitions of materiality for specific events. It was noted that the threshold to report fraud/financial irregularity and legal action could be lower than currently specified, and that this would be further assessed by the Executive.

It was agreed that the paper would come back to a future meeting of the committee.

13. **Data protection report**

The committee noted the data protection report and the two incidents involving actual breaches of personal data since the last meeting of the

committee. One breach required notification to the ICO, however the ICO took no further action.

14. **Group authorised signatories and contract authorisation process**

The committee noted the amendments to the authorised signatories and contract authorisation process, updated to reflect Group best practice. The new process, forming part of the Group financial regulations, was approved subject to minor amendments.

15. **Audit Committee business plan**

The committee noted its business plan for 2019/20.

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

The committee noted that the Group speak up policy, reportable events framework (once finalised) and high-level outcomes of the internal audit reports would be reported to the appropriate Board meeting.

17. **Reports to subsidiaries**

The committee requested that internal audit reports for Group subsidiaries should come for noting only after review by the relevant local audit committee.

18. **Any other business**

The committee noted that the DfE had neither approved nor refused the Lambeth College estates strategy, which potentially put at risk £20 million GLA funding and the ability to deliver long-term vision of the college portfolio. It was noted that this would be reported to the OfS as a reportable event, but that there would be no impact on current students or immediate financial impact. An urgent meeting with the DfE will take place.

**Date of next meeting
4.00 pm, on Thursday, 27 February 2020**

Confirmed as a true record

Duncan Brown
.... (Chair)