

**Minutes of the meeting of the Audit Committee
held at 4.00 pm on Thursday, 8 February 2018
1B16 - Technopark, SE1 6LN**

Present

Steve Balmont (Chair)
Duncan Brown
Mee Ling Ng

Apologies

Shachi Blakemore
Richard Flatman
Fleur Nieboer

In attendance

David Phoenix
Natalie Ferer
James Stevenson
Joe Kelly
Justin Martin
Lucy Gresswell
Jack Stapleton
David Mead
Craig Girvan
Mandy Eddolls
Richard Duke
Lisa Upton

1. Welcome and apologies

The Chair welcomed members to the meeting. Apologies were noted, as above.

The Chair noted that Roy Waight had resigned from the committee due to pressure of other commitments. On behalf of the committee, the Chair formally thanked him for his contribution and service to the committee and LSBU.

2. Declarations of interest

No conflicts of interest were declared for any item on the agenda.

3. **Minutes of the previous meeting**

The committee approved the minutes of the meeting of 9 November 2017 and their publication.

4. **Matters arising**

The committee noted the matters arising.

5. **Internal audit progress report**

The committee discussed the internal audit progress report from PwC.

The committee noted the internal auditors had completed over 60% of the audit plan. The internal auditor noted management's support in providing access and responses to queries. No material weaknesses were reported.

6. **Fire Safety report**

The committee discussed the Fire Safety report from PwC.

The committee noted that weaknesses identified in evacuation to fire alarms had been followed up appropriately by management. The committee requested a progress report at its meeting on 7 June 2018.

The committee noted an appropriate response by management following the Grenfell fire. Student Halls of Residences are subject to regular fire drill practice, and the committee noted the existing good relationship between LSBU's health and safety team and the Fire Service. LSBU has identified the need to focus on higher response rates to evacuation procedures by its tenant population.

7. **UKVI audits report**

The committee noted the report and plan for UKVI audit compliance.

The committee noted the progress in addressing the recommendations of the audits by Penningtons and Eversheds. The committee requested a further progress report at its meeting on 7 June 2018.

The committee noted Penningtons will conduct an annual audit across the University: the next one is due in autumn 2018.

8. **Speak up report**

The committee noted the Speak Up report. No new issues had been raised since the last meeting.

No further information had been received from Safecall with regard to the alleged bullying incident that had been previously reported anonymously: further follow up is therefore not possible at this time.

The SBUEL staffing matter is under review by the Chair, who will consult with the Executive Director of People and Organisation before finalising his report.

9. **Prevent and LSBU employee update**

The committee noted the Prevent report and the LSBU employee update.

The committee noted that serious criminal charges had been made against an LSBU employee. No evidence had emerged of LSBU students or staff having been affected, and none of the charges relate to incidents on LSBU premises. The committee noted that a communications plan to students and staff advised of available support for anyone who may have been affected.

The committee noted that due HR process had been followed and that HEFCE had been informed. The Emergency Response Team will provide a summary report to the committee once any judicial process has been concluded.

The committee noted that the employee's role was being covered by another member of staff.

10. **Student Data report**

The committee discussed the continuous audit report on student data from PwC.

The committee noted the findings were routine and consistent with the previous period and that major controls have been improved.

The committee noted weaknesses in the application process that allows applicants to complete their application without confirming any relevant criminal convictions. The application process is currently provided by a third party and LSBU is developing its own process over which it will have full control.

The committee requested an update at its meeting in October 2018.

11. **Key Financial Systems report**

The committee discussed the continuous audit review of key financial systems 2017/18 (phase 2).

The committee noted some risks under accounts payable and receivable had moved from green to red. The committee noted that management actions had already addressed these risks.

The committee requested an update on management responses to recommendations at its meeting on 7 June 2018.

12. ICT risk diagnostic report

The committee discussed the ICT risk diagnostic report.

The committee noted the ICT action plan and the improvements already delivered. The committee requested further updates at its meetings on 7 June 2018 and 4 October 2018.

13. Anti-fraud, bribery and corruption report

The committee noted the anti-fraud, bribery and corruption report. No issues had arisen since the last Audit Committee meeting.

The committee noted the incident response report relating to a (non-significant) fraud committed in relation to payroll. The committee noted the responses taken were appropriate and that the executive considered it was not necessary to report the matter to HEFCE.

14. Corporate risk register

The committee discussed the corporate risk register.

The committee noted a proposed new framework for presentation of the corporate risk register that presents a higher-level view than the current management format. The committee was supportive of the new approach but requested further consideration on:

- (i) identifying direction of travel on risks (RAG)
- (ii) use of appendices where low level details are required.

The committee noted the expansion of LSBU operations both locally and internationally and requested a review of risks associated with stakeholder / partner management and LSBU's reputation.

15. Progress report - external auditors

The committee noted the progress report. No concerns were reported.

16. South Bank Academies Audit report

The committee noted the South Bank Academies (SBA) audit report.

The committee noted that the report recommendations have been addressed by SBA management, supported by the LSBU finance team. The LSBU Finance Team continues to monitor progress. The committee noted that SBA accounts are not consolidated with those of LSBU.

The committee noted the Group Structure Committee recommendations on developing LSBU-wide integrated back office services to include SBA. The committee supported the principal of a group audit function.

17. **CLA audit report**

The committee noted the positive Copyright and Licensing Agency report.

18. **Data assurance report**

The committee noted the Data Assurance report.

The committee noted the improvements so far achieved and that implementation of GDPR compliance and the student LEAP project will contribute to attaining the required standards.

19. **GDPR update**

The committee noted the GDPR update and PwC's special characteristics report.

The committee noted a new Data Protection Officer will take up post in February 2018.

20. **Annual efficiency return**

The committee ratified the Annual Efficiency Return which had been reviewed by the Chair in advance of submission to HEFCE. This report replaces the Value for Money return.

The committee requested a committee member review subsequent reports prior to submission.

21. **Finance and Management Information (FMI) structure and leadership team**

The committee noted the Finance and Management Information team structure update.

22. **TRAC return to HEFCE**

The committee ratified the TRAC return to HEFCE which had been reviewed by a committee member prior to submission.

23. **Audit Committee business plan**

The committee noted its annual business plan.

24. Matters to report to the Board following the meeting

The committee noted the following reports would be reported to the Board:

- (i) Internal audit progress
- (ii) South Bank Academies
- (iii) UKVI audits

25. Any other business

The committee noted HEFCE's risk letter had not yet been received. In addition, HEFCE had requested the Audit Committee's annual report to include reference to the Student Loan Company; this has now been rectified. HEFCE is expected to note the need to keep them updated on discussions with Lambeth College.

**Date of next meeting
4.00 pm, on Thursday, 7 June 2018**

Confirmed as a true record

..... (Chair)