Meeting of the Group Audit and Risk Committee

4.00 pm on Thursday, 13 February 2020
In 1B16, Technopark, SE1 6LN

* 3.30 – 4.00pm pre-meeting with the auditors in 1B16, Technopark

Agenda

No.	Item	Pages	Presenter
1.	Welcome and apologies		DB
2.	Declarations of interest		DB
3.	Minutes of the previous meetings: • 7th November 2019 • 15th November 2019 – by email • 28th January 2020 – by email	3 - 12	DB
4.	Matters arising	13 - 14	DB
	Internal audit		
5.	Internal audit: progress report	15 - 22	RI
6.	Internal audit follow-up report	23 - 46	RI
7.	Internal audit: UKVI Tiers 2 and 5	47 - 70	NL
8.	Internal audit: Student data	71 - 100	RF
	Other matters		
9.	TRAC (T) update	To follow	RF
10.	Group Speak Up Policy and report	To follow	JS
11.	Anti-fraud, bribery and corruption report	101 - 102	RF
12.	Reportable/notifiable events to the OfS	103 - 112	JS
13.	Data protection report	113 - 114	JS
14.	Group authorised signatories and contract authorisation process	115 - 136	JS
15.	Audit Committee business plan	137 - 140	KJ
16.	Matters to report to the Board following the meeting		KJ

Date of next meeting
4.00 pm on Thursday, 18 June 2020

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

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

Internal auditors: Ruth Ireland and Gemma Wright

Supplement:

- Internal audit: SBA key financial controls
- Internal audit: SBC key financial controls

**Minutes of the meeting of the Group Audit and Risk Committee
held at 4.00 pm on Thursday, 7 November 2019
1B16 - Technopark, SE1 6LN**

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

In attendance
David Phoenix
Michael Broadway
Natalie Ferer
Richard Flatman
James Stevenson
Fleur Nieboer (KPMG - external auditor)
Jack Stapleton (KPMG - external auditor)
Ruth Ireland (BDO - internal auditor)
Gemma Wright (BDO – internal auditor)

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 1 October 2019 and their publication.

4. **Matters arising**

   The committee noted that all matters arising had been completed.

5. **External audit findings**

   The external audit partner of KPMG presented the audit findings for the year ended 31 July 2019. It was reported that the audit was substantially complete pending the finalisation of a few outstanding items. The partner was planning to issue an unqualified opinion. There were no significant findings for high risk areas.

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 was satisfied that the accounts are 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) are consolidated into LSBU's accounts. The external audit findings report covered the audit for LSBU, SBC, SBUEL and SW4

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

The final external audit report would be available for the Board meeting of 21 November 2019.

The committee thanked KPMG for its work on the audit.

6.   **Draft annual report and accounts, 2018/19**

The committee reviewed the draft report and accounts for 2018/19. The draft surplus was £3m, before adjustment to reflect SBC fair value.

The committee discussed the treatment of project LEAP in the accounts. It was reported that the full business case would be considered by the Major Projects and Investment Committee in spring 2020. The majority of the expenditure on the project would be capital and it was not expected to lead to any adjustments to the 2018/19 accounts.

The committee noted that adjustments to pensions and asset valuations were still being processed.

The committee requested that the final version of the accounts is circulated to the committee by email for review prior to formal recommendation to the Board for approval.

The committee thanked the Finance team for preparing the accounts.

7.   **Going concern statement**

The committee noted the going concern review, including the draft five year forecasts which had been discussed in detail by the Finance, Planning and Resources Committee. The review provided assurance for the going concern statement in the annual report and accounts. The committee noted the expected requirement to use a revolving credit facility to finance the planned capital investments in the forecasts. The Board would be requested to approve the terms of a revolving credit facility in Spring 2020. The committee noted that all expenditure committed on current projects could be financed without the revolving credit facility or were at a stage where they could be halted if the fund was not available.

Based on the going concern review, the committee supported the preparation of the accounts on the going concern basis.

8. **External audit letter of representation**

    The committee discussed the 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 LSBU group letter contained one representation specific to the LSBU group regarding the treatment of a potential claim by Carillion (Maple Oak) Ltd against SBC. The Executive is reviewing this representation and final wording will be circulated to the committee with the updated accounts.

    The executive confirmed to the committee that all information that should have been disclosed to the auditors had been disclosed to the auditors.

    The committee noted the draft letter of representation to the auditors for the SBC accounts which would be approved by the SBC Board.

9. **Draft Public Benefit statement**

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

10. **Draft corporate governance statement**

    The committee noted the draft corporate governance statement 2018/19, which demonstrated how LSBU complied with the CUC Corporate Governance Code and the OfS's Public Interest Governance principles. The statement, with minor amendments, would form part of the annual report and accounts.

11. **Internal controls annual review and effectiveness**

    The committee discussed the annual review of effectiveness of internal controls. The committee noted that due to timing issues the review was not discussed at its October 2019 meeting as is usual.

    The committee approved the statement on internal control for inclusion in the annual report and accounts, subject to a review of the wording on the committee's oversight role of subsidiary companies.

12. **Draft Audit Committee annual report**

    The committee approved the draft audit committee annual report and opinions addressed to the Board, as recommended by the executive, subject to minor

amendments. The final report, when signed by the Chair of the Audit Committee, would be submitted to the OfS.

13. **External audit performance against KPIs**

The committee noted that KPMG, the external auditors, had met or mostly met their agreed key performance indicators and there were no concerns during the course of the audit.

14. **External audit - review of non-audit services**

The committee noted that during the year 2018/19, KPMG had, in addition to audit work, provided advice in relation to tax and financial covenant compliance.

15. **Internal audit report - CMA compliance**

The committee discussed the internal audit report on CMA compliance which was rated as 'high' risk. The committee noted that the one 'high' risk area was around the approach to curriculum management which would be addressed through Project Leap.

The committee noted the areas of good practice identified in the report and that CMA compliance is a condition of registration with the OfS.

16. **Internal audit report - London South Bank Innovation Centre**

The committee noted the internal audit report on London South Bank Innovation Centre which was rated as 'medium' risk.

17. **GDPR compliance update**

The committee noted the final update on the internal audit of the GDPR compliance plan. The internal auditors are reviewing progress against the internal audit recommendations.

The committee noted that there had been no data breaches reportable to the ICO since the last meeting.

18. **Final internal audit annual report**

The committee noted the final internal audit annual report which had been discussed in detail at its meeting of 1 October 2019. The internal auditor's opinion was unchanged.

19. **Internal audit progress report**

The committee noted the internal audit progress report for Q1 2019/20.

20.   **Internal audit report - key financial controls**

The committee discussed the internal audit report on key financial controls which found that there was 'moderate' assurance for both the design and operational effectiveness of key financial control systems.

The committee noted that there were two 'high' risk findings on access to i-trent and amendment of supplier bank details.

The committee would monitor implementation rates over the year.

21.   **Corporate risk**

The committee discussed the proposed group risk policy and approach. The committee requested further discussion at its next meeting.

22.   **Prevent annual return**

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

23.   **Quality Assurance report**

This item was deferred to a future meeting.

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

The committee noted the report. One instance of fraud had been identified in SBA in relation to a purchasing card. The money had been returned to SBA and there was no loss to the LSBU group.

25.   **UKVI compliance**

The committee noted the outcome of the basic compliance assessment by UKVI. The committee congratulated the International team on the positive outcome.

26.   **Modern Slavery Act statement**

The committee supported the modern slavery act statement proposed by the Executive for 2018/19 to the Board, subject to a minor amendment.

27.   **Speak up report**

The committee noted the speak up report and two current cases.

28. **OfS reportable events**

The committee discussed the update on OfS reportable events. The committee noted that the executive is defining 'materiality' in relation to reportable events.

It was reported that the OfS had raised queries on the annual return of student data to HESA. As a result of the query being raised two days before the final accountable officer sign-off deadline, there was not sufficient time to analyse the query in the short time given. Accordingly, the OfS considers the return to have been submitted late. The OfS requires the Vice Chancellor to acknowledge that the deadline was missed but indicated that it will take full account of the context and have advised its own monitoring team accordingly. The Vice Chancellor considers that the LSBU data team acted appropriately in this matter. An update will be provided to the Board.

29. **Cyber security update**

The committee noted the cyber security update and requested an update in June 2020.

30. **Audit Committee business plan**

The committee noted its business plan for 2019/20.

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

The committee noted that the annual report and accounts, letter of representation to the auditors, the audit committee annual report, the update on OfS and the CMA report would be reported to the Board meeting of 21 November 2019.

Date of next meeting
4.00 pm, on Thursday, 13 February 2020

Confirmed as a true record

.... (Chair)

Page 8

Written resolution of the **Group Audit and Risk Committee**
of London South Bank University
passed on Friday, 15 November 2019

1.   **Declarations of interest**

No interests were declared on any item on the agenda.

2.   **Updated letter of representation**

The Committee agreed to recommend the updated external audit letter of representation to the Board for approval.

3.   **Updated annual report and accounts**

The Committee reviewed the revised annual report and accounts and agreed to recommend them to the Board for approval.

Circulated to: Duncan Brown (Chair), John Cole, Mark Lemmon and Rob Orr.

Signed on behalf of the Group Audit and Risk Committee

.... (Chair)

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Written resolution of the **Group Audit and Risk Committee**
of London South Bank University
passed on Tuesday, 28 January 2020

1. **Declarations of interest**

   No interests were declared.

2. **TRAC Return**

   Noting that the Chair had reviewed the Return in detail, the Committee agreed to approve the TRAC Return for submission to the OfS.

Circulated to: Duncan Brown (Chair), John Cole, Mark Lemmon, Rob Orr.

Signed on behalf of the Group Audit and Risk Committee

.... (Chair)

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GROUP AUDIT AND RISK COMMITTEE – THURSDAY 13 FEBRUARY 2020
ACTION SHEET

Agenda No	Agenda/Decision Item	Action	Date Due	Officer	Action Status
6.	Draft annual report and accounts 18/19	Final version of accounts to be circulated to Audit Committee by email	November 2019	Michael Broadway	Completed
8.	External audit letter of representation	Letter of representation to be circulated to Audit Committee alongside final accounts	November 2019	Michael Broadway	Completed
21.	Corporate risk	Further discussion of proposed Group risk policy and approach to be held at February 2020 meeting	February 2020	Richard Duke	Being reviewed in line with Target Operating Model – to come to June meeting
23.	Quality assurance report	To come to a future meeting	Early 2020	Pat Bailey	Approach being reviewed
29.	Cybersecurity update	Further update to be provided to the June 2020 meeting	June 2020	Nicole Louis	Added to June 2020 agenda

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	CONFIDENTIAL
Paper title:	**BDO Internal Audit progress report**
Board/Committee:	Group Audit and Risk Committee
Date of meeting:	13 February 2020
Author(s):	BDO
Sponsor(s):	Richard Flatman, Chief Financial Officer
Purpose:	For Information
Recommendation:	The Committee is requested to note the report

Summary

The attached report details progress with the 2019/20 internal audit plan.

The reports on SBA and SBC financial controls, Student Data, UKVI tiers 2 and 5 and follow up on previous recommendations are covered on the agenda. The reports on SBA and SBC are included in a supplement for information and will be reviewed by their Audit Committees.

Recommendation

The Group Audit and Risk Committee is requested to note the report.

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INTERNAL AUDIT PROGRESS REPORT

LONDON SOUTH BANK UNIVERSITY GROUP

February 2020

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INTERNAL AUDIT PROGRESS SUMMARY

2019-20 Audit Programme

The status of our work is a follows:

Final reports	Draft reports	Fieldwork	Planning
▶ UKVI compliance (Tier 2 and 5) – LSBU		▶ REF	▶ LSBU financial controls – part 2
▶ Continuous auditing – student data - LSBU			▶ Data quality - SBC
▶ Financial systems and controls – SBA			▶ LSBU family transition
▶ Financial systems and controls – SBC			▶ Health and safety - SBA
▶ Recommendation follow up			▶ Health and safety - SBC
			▶ UKVI Tier 4

Dashboard

Audit status
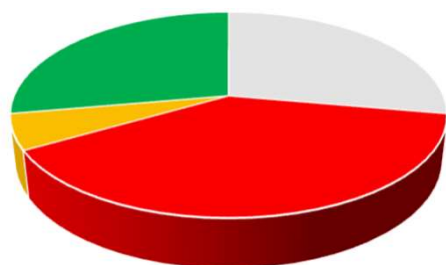
- Not yet started
- Planning
- Fieldwork
- Draft report
- Final report

Changes to the Plan

▶ We had originally planned to carry out all parts of the audit of UKVI together. However, the audit has now been split in two; staff and students. Planning for the student part is underway and will now be reported to the June 2020 ARC instead of February 2020.

▶ Management has requested the audit of risk management be performed towards the end of the year. Therefore this audit is now scheduled to take place in June 2020.

INTERNAL AUDIT PLAN 2019-20 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												
Risk management	Group	10	~~17 Feb 20~~ 22 Jun 20			~~18 Jun 20~~ 6 Oct 20						
LSBU family transition	Group	10	23 Mar 20		Planning	18 Jun 20						
Health and safety	SBC	7	14 Apr 20		Planning	18 Jun 20						
Health and safety	SBA	7	23 Mar 20		Planning	18 Jun 20						
Finance and management information												
Financial systems and controls (continuous auditing – finance)	LSBU	25	12 Aug 19	24 Jul 19	Final report	7 Nov 19	7 Nov 19	2	4	3	🟦	🟦
			17 Feb 20	24 Jan 20	Planning	18 Jun 20						
	SBC	7	9 Dec 19	25 Nov 19	Final report	13 Feb 20	13 Feb 20	2	2	1	🟠 🟢	🟦 🟢
	SBA	5	2 Dec 19	14 Nov 19	Final report	13 Feb 20	13 Feb 20	4	4	0	🟠	🟠
Data quality/ MIS	LSBU	8	9 Mar 20		Planning	18 Jun 20						
	SBC	5	~~27 Jan 20~~ 23 Mar 20		Planning	18 Jun 20						
Continuous auditing – student data	LSBU	25	28 Oct 19	10 Oct 19	Final report	13 Feb 20	13 Feb 20	0	3	4	🟦	🟦
			18 May 20			18 Jun 20						

INTERNAL AUDIT PLAN 2019-20 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												
Apprenticeships	LSBU SBC	15	20 Apr 20			6 Oct 20						
UKVI compliance (Tier 2 and 5)	LSBU	8	14 Nov 19	1 Nov 19	Final report	13 Feb 20	13 Feb 20	0	7	0	🟠	🟦
UKVI compliance (Tier 4)	LSBU	7	TBC		Planning	13 Feb 20						
Research and enterprise												
REF preparation	LSBU	6	11 Feb 20	27 Jan 20	Fieldwork	18 Jun 20						
Estates infrastructure and services												
Estates development/ capital programme	LSBU SBC	15	8 Jun 20			6 Oct 20						
Information technology												
IT security	Group	20	11 May 20			6 Oct 20						
Management and recommendation follow up												
Recommendation follow up	Group	8			Ongoing							
Management		18	Ongoing									

APPENDIX I – 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.

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	CONFIDENTIAL
Paper title:	Internal Audit – Follow up
Board/Committee:	Group Audit and Risk Committee
Date of meeting:	13 February 2020
Author(s):	BDO
Sponsor(s):	Richard Flatman, Chief Financial Officer
Purpose:	For Review
Recommendation:	The Committee is requested to note the report and its findings.

Summary

This report reviews progress with implementing internal audit recommendations previously made to address control weaknesses and whether they have been effectively implemented.

BDO have followed up on outstanding recommendations reported as overdue by the previous auditors, PwC (for LSBU and SBA) and RSM (for Lambeth College, now SBC), that were due before the 31 December 2019.

Of the 47 recommendations that are due, 62.8% have been implemented and a further 15 recommendations (34.9%) are in progress. All high risk recommendations have either been implemented or are in progress.

Recommendation:
The Committee is requested to note this report

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INTERNAL AUDIT FOLLOW UP REPORT

LONDON SOUTH BANK UNIVERSITY

February 2020

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CONTENTS

Restrictions of use

The matters raised in this report are only those which came to our attention during the course of our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The report has been prepared solely for the management of the organisation and should not be quoted in whole or in part without our prior written consent. BDO LLP neither owes nor accepts any duty to any third party whether in contract or in tort and shall not be liable, in respect of any loss, damage or expense which is caused by their reliance on this report.

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.

We followed up on outstanding recommendations reported as overdue by the previous auditors, PricewaterhouseCoopers and RSM, that were due before the 31 December 2019. Our assessment of recommendations that are overdue is based on the original agreed date for implementation.

Current status

As at 31 December 2019:

2017/18	2018/19
<u>LSBU</u>	<u>LSBU</u>
Of the 4 recommendations brought forward:	Of the 35 recommendations brought forward:
▶ 3 have been completed	▶ 5 have been completed
▶ 1 is overdue but in progress	▶ 13 have been completed but not verified
<u>SBC</u>	▶ 10 are overdue but in progress
Of the 3 recommendations brought forward:	▶ 2 have been superseded by a recommendation by BDO
▶ 1 has been completed	▶ 3 are overdue and an update has been requested
▶ 2 are overdue and responses have been provided	▶ 2 are not yet due
	<u>SBC</u>
	No recommendations were brought forward:
	<u>SBA</u>
	Of the 7 recommendations brought forward:
	▶ 4 have been completed
	▶ 2 have been superseded
Full details of the status of these recommendations are set out from page 4.	▶ One has been completed but not yet verified

INTERNAL AUDIT RECOMMENDATION FOLLOW UP SUMMARY 2017/18
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							
IT	0	3	0	0	3	3	0	0	0	0	0
International Partnership Arrangements	0	1	0	0	1	0	0	0	1	0	0
Total	0	4	0	0	4	3	0	0	1	0	0

Status as at December 2019:

Legend:
- ■ Overdue
- ■ Overdue but in progress
- ■ Complete not verified
- ■ Superseded
- ■ Complete

Y-axis: Number of recommendations
X-axis: Significance of recommendations raised (High, Medium, Low)

2017/18 MEDIUM AND HIGH SIGNIFICANCE OVERDUE RECOMMENDATIONS
LSBU

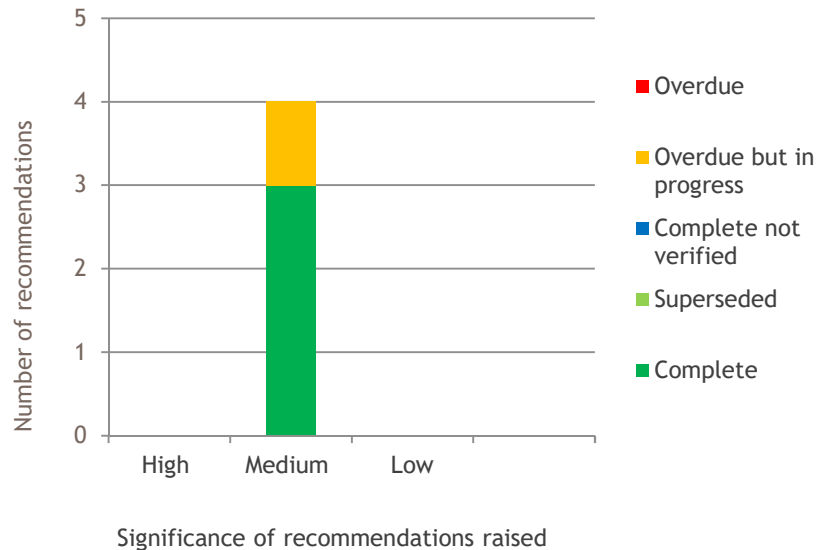| INTERNATIONAL PARTNERSHIP ARRANGEMENTS							
Finding	Agreed Action	Sig.	Original Due date	Revised due date	Resp. Person	Update	Status
A signed Memorandum of Cooperation should be in place for every international partnership arrangement. This document sets out the terms and conditions in place for all agreements. We selected a sample of four international partnerships and tested whether or not there was a Memorandum of Cooperation available for each Partnership. For one of the partnerships (ASU) a copy of the Memorandum of Cooperation was provided, however this was not signed by either party.	The International Office will work with the systems team in Research Enterprise & Innovation to enable the use of their Haplo software platform to track and manage all potential partnership activity. This will enable snapshot reporting of progress across the institution enabling all interested parties to track progress in real time, and utilise the CRM benefits within this platform.	🟧	30/09/18	13/02/20	Stuart Bannerman (Director International)	The HAPLO storage and management system has been completed as planned but it has not met the expectations of the International team (design of the product, rather than functionality). HAPLO is currently redesigning it and preparing for another round of testing. It is now due to be implemented by 29 February 2020, to be rolled out by 31 July 2020.	Overdue but in progress.

INTERNAL AUDIT RECOMMENDATION FOLLOW UP SUMMARY 2017/18
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							
Key Financial Controls	0	1	0	0	1	1	0	0	0	0	0
Curriculum Planning	0	1	1	0	2	0	0	0	0	2	0
Total	0	2	1	0	3	1	0	0	0	2	0

Status as at December 2019:

2017/18 MEDIUM AND HIGH SIGNIFICANCE OVERDUE RECOMMENDATIONS
SBC

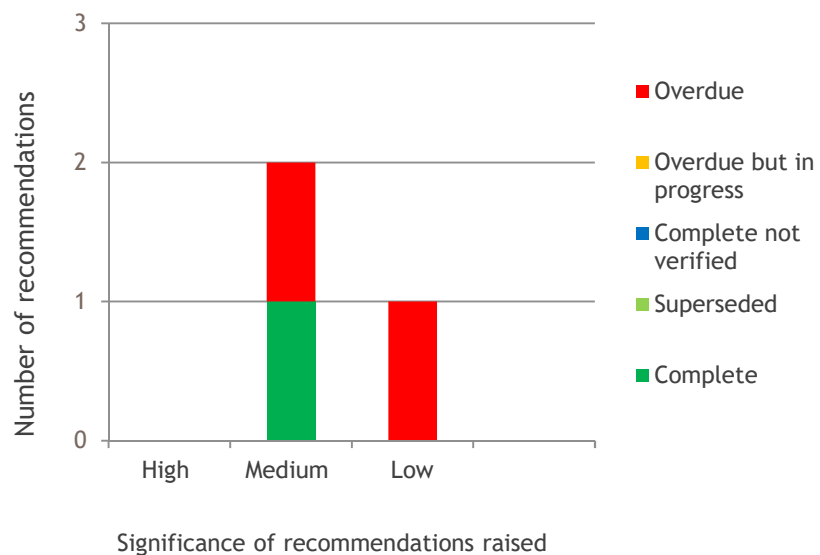| CURRICULUM PLANNING							
Finding	Agreed Action	Sig.	Original Due date	Revised due date	Resp. Person	Update	Status
At the time of the audit no evidence was provided with relation to CPD.	The CPD sessions will be reviewed and updated to reflect all seven themes identified by the Board to ensure that individual staff targets are aligned to College's targets.		29/04/18	~~31/12/18~~ TBC	Abigail Maya – People Services Manager	Work has not been completed in this area. No update has been provided on progress made.	Overdue – update requested

Page 31

INTERNAL AUDIT RECOMMENDATION FOLLOW UP SUMMARY 2018/19
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							
GDPR Plan	2	2	0	0	4	1	3	0	0	0	0
CMA Compliance	1	5	1	0	7	0	2	0	4	0	1
Procurement	1	2	0	0	3	0	2	0	1	0	0
SBIC	0	2	1	0	3	0	0	0	1	1	1
Continuous Auditing: Key Financial Systems	0	0	1	5	6	1	3	1	0	1	0
Risk Management	0	0	0	3	3	0	1	0	2	0	0
Continuous Auditing: Student Data*	0	0	0	9	9	3	2	1	2	1	0
Total	4	11	3	17	35	5	13	2	10	3	2

INTERNAL AUDIT RECOMMENDATION FOLLOW UP
Recommendation Implementation Progress Update – 2018/19

Status as at December 2019:

2018/19 MEDIUM AND HIGH SIGNIFICANCE OVERDUE RECOMMENDATIONS
LSBU

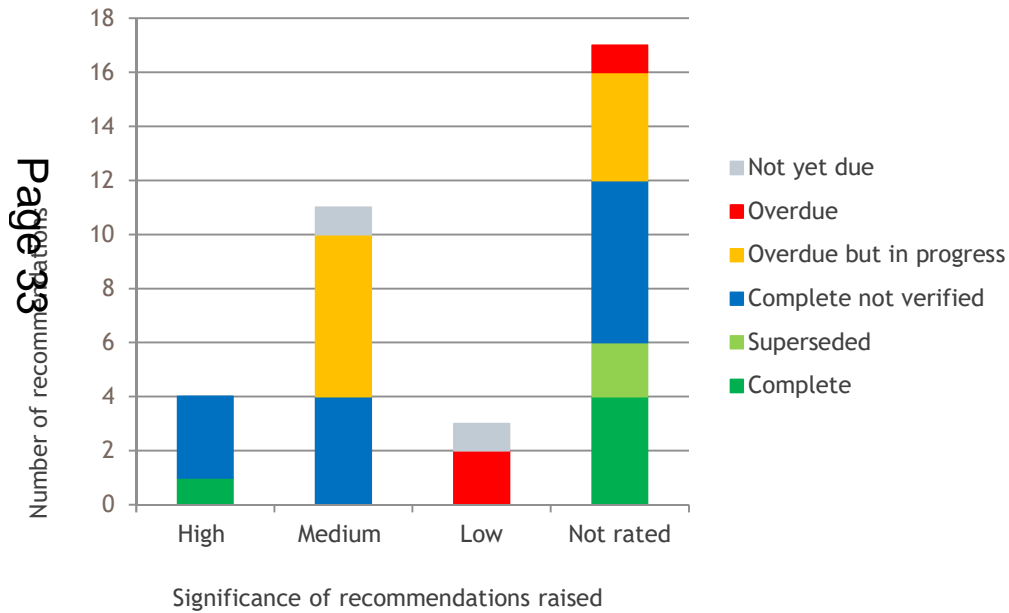| CMA Compliance (#1)							
Finding	Agreed Action	Sig.	Original Due date	Revised due date	Resp. Person	Update	Status
There is no clear and documented end-to-end process for how the University manages and ensures compliance with CMA requirements annually. The work requires the involvement of at least four different departments / teams (not including the seven Schools that are also involved and whilst staff are aware of certain tasks that need to be performed, the teams work separately with limited communication and collaboration to ensure the information provided to students is accurate. A central roadmap that depicts the key stages for the annual CMA compliance including the timelines, key teams / owners involved and the tasks required, would help highlight and remind of the duties required. This would enable the individual departments to plan their work and tasks around the timelines. Whilst we acknowledge there is a CMA working group but as we understand from our interviews, this had focused on status updates of long term projects rather than improving the immediate processes.	a) A central timetable for academic year 2019/20 (entry September 20) is being developed, and is being led by the CCO with input from the AQE and Admissions teams. This will be drafted by end of September and reviewed with the Provost and Deans on 15th October. b) The University's existing schedule of course validations and revalidations is currently being updated for academic years 2019/20 and 2020/21 and this will feed into the CMA roadmap	■	30/11/19	28/02/20	a) Nicole Louis, CCO b) Mark Griffith, Acting Director of TQE	A consolidated calendar for all aspects of course management is under development led by Acting Director of TQE. This will include the introduction of a new stage for course approval pre-validation stage and timeframes for course validations for Sept 20 and Sept 21 entry. Accompanying process documents for all stages of course management are in production. The Acting Director of TQE is leading on process documents for TQE, the Manager for Strategic Recruitment and Conversion is leading on the preparation of process documents for Marketing and Admissions and the Head of Registry will be asked to lead on process documents for Registry. Revised timeline is to complete first drafts by mid February and review with CMA Steering Committee at the meeting on the 27th February 2020 before submitting to the Academic Board for approval at the end of February.	Overdue but in progress

2018/19 MEDIUM AND HIGH SIGNIFICANCE OVERDUE RECOMMENDATIONS
LSBU

CMA Compliance (#2)							
Finding	Agreed Action	Sig.	Original Due date	Revised due date	Resp. Person	Update	Status
Whilst we acknowledge there had been some informal training provided by the Legal team previously, further improvements are required to ensure there is clarity and transparency on the CMA requirements, such as checklist or summary outline, and to ensure this is communicated widely to the relevant staff. This would help to ensure adherence to the requirements. There has been limited actions and activity in improving and ensuring the awareness of what is required for CMA compliance and the departmental collaboration required. We also acknowledge that a CMA guidance document had been provided to Schools, as part of the project to request them to review update the course specifications.	A training plan is being developed by Irene Bernstein, Head of Legal Services and this is expected to be reviewed by the CMA compliance team by the end of November. This will include a blend of face-to-face and online learning tools. The Learning and Development department will support the training rollout.	⬛	30/11/19	31/01/20	Irene Bernstein, Head of Legal Services	The options for the CMA staff training programme, including delivery model and content, were scoped, researched and analysed in the autumn 2019; providers were contacted and quotes for delivery obtained. The findings were presented to the CMA working group on 21st November where a decision was made to implement an edited online module. The Organisational Development team have established contact with the provider. The next step is to edit the course content which will be reported on at the end of January to the CMA working group.	Overdue but in progress

2018/19 MEDIUM AND HIGH SIGNIFICANCE OVERDUE RECOMMENDATIONS
LSBU

CMA Compliance (#3)							
Finding	**Agreed Action**	**Sig.**	**Original Due date**	**Revised due date**	**Resp. Person**	**Update**	**Status**
Whilst we acknowledge that all key teams attend the CMA Working Group and that individual teams are aware of what needs to be done, there seems to be inconsistencies in how these tasks are performed, including the differing levels of collaboration and communication across the different Departments. As there are four Departments involved and seven different Schools to input, having the roles and responsibilities for each team defined and documented (including a key lead for the department) will set clear expectations for the work and responsibilities and bring improved transparency; especially as there is work that is reliant on other teams.	a) A CMA 'roles and responsibilities' document is being prepared covering key roles and responsibility for school and PSG staff. To be agreed by team by end of November. b) Changes to CMA working group attendance to ensure participants are clearly accountable by end November. c) Accountabilities for academic staff to be embedded within job descriptions.	■	30/11/19	c) 28/02/20	a) & b): Nicole Louis, Chief Commercial Officer (CCO) c) Pat Bailey, Deputy Vice Chancellor	a) A comprehensive CMA Roles and Responsibilities document has been produced b) CMA Steering Group membership has been extended to all DESEs. This was completed in November 19 c) Job descriptions are being reviewed and will contain explicit reference to CMA compliance, accountabilities to be explicitly included and completion is now end February	Part c) Overdue but in progress

2018/19 MEDIUM AND HIGH SIGNIFICANCE OVERDUE RECOMMENDATIONS
LSBU

CMA Compliance (#6)							
Finding	Agreed Action	Sig.	Original Due date	Revised due date	Resp. Person	Update	Status
There is no process in place to consistently manage any updates or changes required on the information provided in the course specification, printed prospectus and website. Furthermore, there was no control or mechanism in place to communicate any course changes nor course cancellations to the students. We note from our interviews, that each of the academic departments are responsible for the course information including any changes but there had been instances where this is performed without informing the relevant teams and/or without informing the students after the course specification had been provided. At present, any required course detail changes or cancellations are required to be flagged by the Academics, otherwise it will be unknown to the other teams. Often these changes may be flagged in informal discussions but this is often too late i.e. the student had already received the prior version of the course details. We do acknowledge that there is a 'Programme and module amendments' policy and a 'Programme and module discontinuation' policy, including a change process being recently created and sent to the board for approval.	a) Course Directors have been briefed by AQE team to notify the school marketing manager of any course changes following the review and updating of 2019/20 course specification sheets. document. b) Course Directors were identified as owning the process for overseeing communication to applicants when courses change post-provision of applicant offer packs. This is will be laid out in the CMA roles and responsibilities document. c) The wider responsibilities of the role of a Course Director will be set out in a Job Description and this will include responsibilities linked to course management which impacts CMA. d) AQE team to produce guidance document on categorisation of changes to course specifications indicating what constitutes a material change. By October, owner AQE Team (individual to be confirmed)	■	30/11/19	28/02/20	a) & b): Follow up with Nicole Louis, Chief Commercial Officer (CCO), for confirmation on action owners c) Pat Bailey, Deputy Vice Chancellor d) Mark Griffith, Acting Director of TQE	CMA roles and responsibilities document requires the Course Directors to notify the School Marketing Manager of any course changes following the review and update of the specifications. The Course Directors are also identified as owning the process for overseeing communication to applicants when courses change. The wider responsibilities of the role of a Course Director will be set out in a Job Description. This is to be completed by the end of February. The AQE team has produced a guidance document on categorisation of changes to course specifications indicating what constitutes a material change.	Overdue but in progress

2018/19 MEDIUM AND HIGH SIGNIFICANCE OVERDUE RECOMMENDATIONS
LSBU

Procurement (#3)							
Finding	**Agreed Action**	**Sig.**	**Original Due date**	**Revised due date**	**Resp. Person**	**Update**	**Status**
As best practice, for all contracts both one-off and rolling, there should be regular review and monitoring of the actual spend against the agreed contractual amounts, to ensure the spend is in line with the contract value. As discussed with Management, there are no controls or processes in place to ensure there is regular review of contract spend or controls to flag any overspends, as a detective measure. Budget managers within each department are responsible and accountable for their own monitoring of spends and due to the devolved nature, there is minimal oversight from Procurement. However as good practice, we would ask Management to reiterate their responsibilities for ensuring spends are within agreed amounts and if not, to provide further justification to Management or otherwise.	Subject to discussion with the incoming Director of Procurement, we would expect to identify key contracts and carry out quarterly monitoring of spend against the awarded value, for the life of the contract. We will also reiterate the current Contract Management guidance available on the LSBU intranet to all contract managers.	🟧	01/10/19	TBC	Interim: Rob Ager, Category Manager From July 2019: James Rockliffe, Director of Procurement	The new Director of Procurement has suggested a more effective way of tracking contract spend. The new goal is to implement a contract record within Agresso so that when the total value of all purchase orders exceeds the value of the contract, no more orders can be raised. The functionality is currently being investigated.	Overdue but in progress

2018/19 MEDIUM AND HIGH SIGNIFICANCE OVERDUE RECOMMENDATIONS
LSBU

LSBIC (#2)								
Finding	**Agreed Action**		**Sig.**	**Original Due date**	**Revised due date**	**Resp. Person**	**Update**	**Status**
During the bid writing process, key staff from the Innovation Centre / TWI (such as the Director) and often, third party bid writers may be involved. However, we noted from our interviews that there is heavy reliance on the Director to write and also review their own content, prior to submission. There is also no further review by an independent person and/or in terms of its technical content by a specialist as necessary. Other checks including the completeness of the documents provided against the requirements are also not formally performed as a requirement. Building these checks and formally documenting the process (e.g. as a summary map) will help to ensure consistency and identify any gaps in the process, such as a requirement for further checks.	a)	Centrally submitted proposals are always checked for compliance to funder documentation and deviances highlighted by expert staff. IC bids for H2020 which can be independently submitted bypass this process. We need more time to review how to improve management in this area.		01/12/19	31/07/20	a) Sarah Plant, Head Central Research Services, Michael Corsar b) Michael Corsar & Sandra Dudley-McEvoy (DoREENG)	REI/Finance Differentiated Service project is now underway which will impact on the highlighted audit areas with a redesign of existing structures and workflows. The new system will resolve a) and b) Update to be provided in 6 months, following further development of REI/Finance Differentiated Service project	Overdue but in progress
	b)	The majority of bids already have additional evaluations where a bid writing organisation is employed. Extend this to include other members of the consortium or TIM team as evaluators and evaluation to be mandatory. To additionally improve technical content via peer review we would need support from ENG School where we have expertise relevant to both LSBIC and ARCTIC. Haplo includes as standard the facility to manage this process.						

2018/19 OVERDUE RECOMMENDATIONS WITH NO RATING

Name of the review	Agreed Action	Revised due date	Resp. Person	Update	Status
Risk Management (#1)	Address the the issues identified in to the risk register. Consider aligning the local risk register template with the corporate risk register A new risk policy is being developed. this plans to incorporate all of these items in to local risk registers. It will also ensure there will be close alignment of risk registers at local and corporate (Group) level.	TBC	Richard Duke, Director of Strategy and Planning	The new Risk policy states that local risk registers are to have the headings Risk, Risk Description, Risk Type, Sub-Strategy, Cause and effect of risk, Likelihood rating, Impact rating, Mitigating Actions, Residual Likelihood, Residual Risk Classification, Risk owner. These headings would show the residual risk classification but does not show the gross risk classification. The "Mitigating Actions" header does not include date action is to be completed. There is no requirement in the policy to keep a record of the date the register was last updated. These were identified issues in the review.	Overdue but in progress This will be followed up in June 20
Risk Management (#3)	Ensure risk registers are reviewed quarterly and meeting minutes and/or notes are taken to confirm any changes to the risk register. The risk policy in development will ensure risk registers are reviewed quarterly at each level of the Group.	TBC	Richard Duke, Director of Strategy and Planning	A Risk policy has been developed, but it does not contain the requirement for the quarterly review of the risk registers.	Overdue but in progress This will be followed up in June 20
Continuous Auditing Student Data (#2)	Action 1: International to contact the relevant students to collect their UK mobile number Action 2: Outcome of LSBU pre CAS interview no longer needed as this applicant was sponsored and was granted a visa. In line with LEAP, this process should be automatic via software or application to be able to identify missing information and complete all files as needed.	TBC	Nuria Prades, Head of Operations	To be followed up in the UKVI Tier 4 audit.	Overdue

2018/19 OVERDUE RECOMMENDATIONS WITH NO RATING

Name of the review	Agreed Action	Revised due date	Resp. Person	Update	Status
Continuous Auditing Student Data (#5)	1) There has been a change in staffing related to placements so we will start to receive the data at the start of each year which should allow us to keep accurate records with annotations made against cohorts of students to inform on placement and study activity. 2) We will run a report which we will use to identify the graduated students at the beginning of the year and periodically within it to ensure we keep up to date. 3) This student had changed from full time to part time in November and we will make sure this is noted. 4) We will contact course directors where students have less than the full list of modules on their records for the academic year or request that they contact us where they have made arrangements with students as per the exception noted. 5)There is ongoing work in this areas as it is recognised that the current system used for attendance monitoring is struggling to exceed its initial build requirements as the needs within the attendance / engagement monitoring processes have increased.	01/04/20	Alan Butt, Student Engagement Team Leader	This has not been fully completed: 1) We were informed that there has been a change of staffing related in the placement team and that information is provided in advance, however a review of this identified that this is a manual process. Timetables for the course are provided for the year and these need noting in the spreadsheets to prevent students on placement being chased. 2) The graduated students report is not yet run. This relies on data related to progression codes being accurate, however there is a number of blanks. 4) Information about students not on full modules is not provided yet. Each case needs reviewing. They are predominantly informed by the school when the student is flagged as not attending through the SPOC report. 5) This is still an area for development. Due date is April 2020.	Overdue but in progress
Continuous Auditing Student Data (#7)	We will consider introducing an SLA so that Student Administration can action these requests within an acceptable agreed timeframe. The delays arose as a result of staffing issues in the International Office, which have been addressed now new trained staff are in place. School/Student Admin to be trained as part of Registry CPD program in agreed procedure.	TBC	Lisa Upton, Head of Registry	No SLA introduced. Withdrawal testing identified that forms not completed completely, but they were processed in a more timely manner.	Overdue but in progress

INTERNAL AUDIT RECOMMENDATION FOLLOW UP SUMMARY 2018/19
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							
Key Financial Controls	4	2	0	0	6	4	0	2	0	0	0
Safeguarding	1	0	0	0	1	0	1	0	0	0	0
Total	5	2	0	0	7	4	1	2	0	0	0

Status as at December 2019:
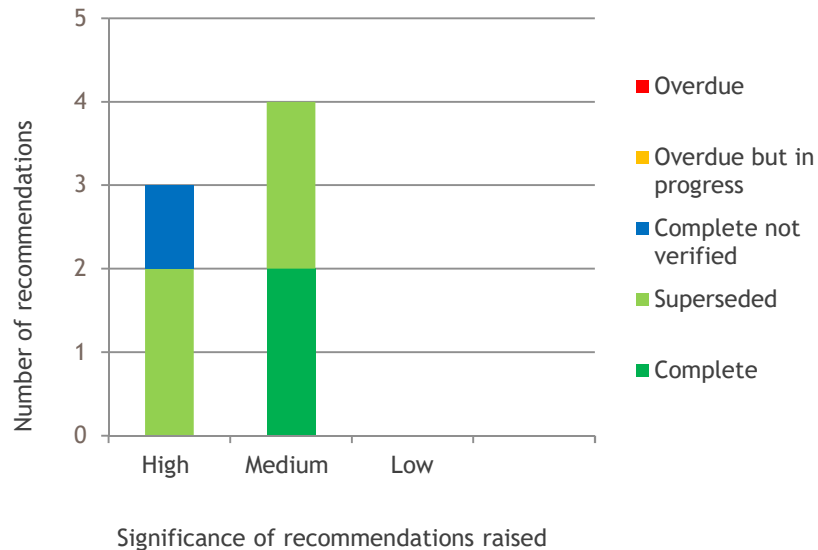
2018/19 MEDIUM AND HIGH SIGNIFICANCE COMPLETED NOT YET VERIFIED

SAFEGUARDING							
Finding	Agreed Action	Sig.	Original Due date	Revised due date	Resp. Person	Update	Status
The policies and procedures available for Safeguarding at UAESB have not been kept up to date and in line with their annual review and update as stated for January – February 2017. There is a lack of overall governance in place for the Academy's policies and procedure documents to be reviewed, ratified and for any changes to be approved.	Safeguarding policies at the Trust are currently being updated. This will include an annual requirement for staff training.	▲	31/11/18	31/07/19	Dan Cundy, Executive Principal, SBE UTC	Complete. Safeguarding policies have been reviewed and are current. It is due for Board approval in March 20.	Action complete but awaiting Board approval

APPENDIX I – 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.

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	CONFIDENTIAL
Paper title:	**Internal Audit – UKVI Tiers 2 and 5**
Board/Committee:	Group Audit and Risk Committee
Date of meeting:	13 February 2020
Author(s):	BDO
Sponsor(s):	Nicole Louis, Chief Customer Officer
Purpose:	For Information
Recommendation:	The Committee is requested to note the report and its findings.

Summary

LSBU holds a sponsor licence for tier 1, tier 2, tier 4 and tier 5. Compliance with UKVI tier 2 and tier 5 visas has been tested by internal audit. The report makes 7 medium risk findings, all of which have been accepted by management and actions are underway to address findings by the end of June 2020. Due to the findings identified, BDO are able to provide limited assurance over the design of controls and moderate assurance over the effectiveness of the controls in place to establish employees' right to work in the UK, and LSBU's compliance with its UKVI tiers 2 and 4 obligations. In addition, tier 4 student visa processes are being reviewed as part of the PWC led International 'Accelerator'.

For information, UKVI operational oversight is maintained by an executive-led UKVI working group and this group reports annually to the Executive. The most recent report to the Executive covers the 2019 calendar year and highlights are:

- Development and launch of UKVI Training Video for staff
- Introduced access to UKVI Legal Advice helpline for use by HR staff
- Reviewed and improved tier 2 File Checklists
- No known breaches or contravention of Regulations
- Outstanding tier 4 Basic Compliance Assessment scores

Recommendation:

The Committee is requested to note this report.

BDO

LONDON SOUTH BANK UNIVERSITY

INTERNAL AUDIT REPORT – FINAL

UKVI - TIERS 2 AND 5
JANUARY 2020

LEVEL OF ASSURANCE	
Design	Operational Effectiveness
Limited	Moderate

LONDON SOUTH BANK UNIVERSITY, UKVI – TIER 2

DISTRIBUTION	
David Lee	Head of HR Operations
Edward Spacey	Head of People and Organisation Compliance
REPORT STATUS LIST	
Auditors:	Jennifer Obee
Dates work performed:	18 – 25 November 2019
Draft report issued:	23 December 2019
Final report issued:	23 January 2020

Page 50

LONDON SOUTH BANK UNIVERSITY, UKVI – TIER 2

EXECUTIVE SUMMARY

LEVEL OF ASSURANCE: (SEE APPENDIX I FOR DEFINITIONS)

Design	⬣	System of internal controls is weakened with system objectives at risk of not being achieved.
Effectiveness	▪	Evidence of non compliance with some controls, that may put some of the system objectives at risk.

SUMMARY OF RECOMMENDATIONS: (SEE APPENDIX I)

High	▲	
Medium	▪	7
Low	●	

TOTAL NUMBER OF RECOMMENDATIONS: 7

BACKGROUND:

The UK Government introduced regulations (the Immigration, Asylum and Nationality Act 2006) to ensure that employers only employ people who are legally permitted to work in the UK.

Sponsor licences authorise organisations to recruit migrants from outside of the European Economic Area (EEA) but they come with stringent responsibilities for the employer. Failure to comply with sponsor licence duties can lead to a downgrade in user rating, suspension or revocation, putting the jobs of existing migrants at risk.

The regulations require an employer to verify a new employee's right to work in the UK by checking and copying certain documents and to undertake annual checks on employees whose right to work in the UK is time-limited. Employers also have a legal responsibility to perform identity checks on all people employed by them. Staff who are not EEA nationals also require a visa under the UKVI Tier 2 and Tier 5 schemes to work in the UK.

In order to assist employers in conducting right to work checks the UK Visas and Immigration department (UKVI) has issued guidance for sponsors for Tiers 2 and 5 employees, and also An Employer's Guide to Right to Work Checks. The guidance provides information about duties of all registered sponsors, including record keeping duties, and reporting arrangements using the sponsorship management system (SMS).

London South Bank University (LSBU) holds a sponsor licence for Tier 2 and Tier 5 workers and employs 19 Tier 2 staff under its annual Certificate of Sponsorship (CoS) allocation. It has an allocation to employ one Tier 5 worker under the Government Authorised Exchange (GAE) scheme for research workers, although it does not currently employ anyone under this this scheme.

Hourly paid lecturers (HPLs) are recruited by Schools with guidance from the central Recruitment team. School managers carry out right to work (RTW) checks which are verified by HR prior to starting employment. Other staff are recruited by the Recruitment team, which is part of the HR function. It carries out RTW checks on non-sponsored staff and is responsible for ensuring that Tier 2 staff are recruited in line with Home Office guidance, including complying with the resident labour market test, carrying out RTW checks and

2

LONDON SOUTH BANK UNIVERSITY, UKVI – TIER 2

applying for CoS. Copies of RTW documentation are retained on the electronic filing system and Recruitment maintains manual files for Tier 2 staff.

Visa expiry dates are recorded in the HR system, iTrent, and used to produce monthly reports of upcoming visa expiries which are reviewed and followed up by HR. The Head of HR also receives a weekly report of changes in job location, grade and details of Tier 2 employees, which is used to assess whether there have been any changes in an individual's circumstances which require reporting to the Home Office.

There have been previous 3rd party audit reviews of UKVI in 2017 by two firms of Solicitors (Penningtons and Eversheds).

The purpose of the audit is to provide assurance over the controls the University has in place to comply with the Immigration, Asylum and Nationality Act 2006, specifically the controls in place to establish employees' right to work in the UK and compliance with its obligations under its Tier 2 and Tier 5 sponsorship licenses.

SCOPE AND APPROACH:

We held an opening meeting with key members of HR in order to establish the controls in place within the University to ensure ongoing compliance with the UKVI Tier 2 regulations.

We reviewed the procedure in place within the University with regards to the right to work checks undertaken in relation to staff and the appointment of Tier 2 workers, and assessed these against the relevant Home Office guidance.

We evaluated the training provided to members of the Recruitment team, HR and schools' staff with UKVI responsibilities to assess whether it was carried out by staff who required it, covered the required information in sufficient detail and whether it enabled staff to remain up to date with current requirements.

We tested a sample of seven Tier 2 appointments made in the 12 months to 31 October 2019 to assess whether they had been advertised for at least 28 days in compliance with the resident labour market test.

The process for carrying out RTW checks by schools and Recruitment was assessed and for a sample of ten percent of current staff (excluding Tier 2 staff) the records of RTW checks were tested to establish whether they complied with guidance set out in the Home Office document An Employer's Guide to Acceptable Right to Work Documents. We also tested the RTW documents for a sample of ten Tier 2 staff (53%) against the Home Office guidance Appendix D: Keeping Documents Guidance for Sponsors'.

We reviewed the processes to ensure appropriate checks are carried out prior to applications being made for Tier 2 certificates of sponsorship, and reviewed the records held on file for a sample of seven Tier 2 workers to assess whether these had been followed, including that they hold a current visa.

We established how potential reportable changes for Tier 2 staff are identified and reported. The iTrent report of Tier 2 changes was obtained and all changes in the year to 31 October 2019 were investigated to assess whether they were reportable and if so whether this was done within the prescribed timescales. For a sample of five Tier 2 staff pay changes during the last month per their payslips were compared to the published pay scales to assess whether any increases were reportable.

The latest iTrent Tier2 changes report was reviewed and all changes in the last 12 months were investigates to assess whether they were reportable and if so have been reported within ten days.

We assessed the processes in place to monitor holiday and sickness absences and identify any reportable absences for Tier 2 staff. We reviewed an iTrent report of Tier 2 absences and obtained explanations for any that appeared potentially reportable.

LONDON SOUTH BANK UNIVERSITY, UKVI – TIER 2

For a sample of ten Tier 2 staff we tested whether the worker and their line manager had returned their annual acknowledgment of responsibilities under the sponsorship agreement.

We considered whether any instances of good practice in relation to UKVI and Tier 2 practices seen at our other clients could be introduced at LSBU.

GOOD PRACTICE:

Over the course of the review, we identified a number of areas of good practice, including the following:

- HR has created a UKVI video explaining home office requirements which is available to all staff on the intranet.

- Key staff in Recruitment and HR with responsibility for Tier 2 compliance have attended UKVI training provided by UCEA and solicitors, Eversheds, and update webinars. The Head of HR in turn has provided training updates to schools' staff at the University.

- An internal UKVI Monitoring Committee has been created, chaired by an Executive Member, and it is planned that this will supply an Annual UKVI Report to the Board of Governors in March 2020.

- The University maintains employee files relating to workers sponsored under Tier 2, which contain checklists to ensure key processes and documentation are complete, for example the resident labour market test, application process, contract of employment, RTW checks.

- Tier 2 employees and their line managers are required to confirm annually that they understand and accept their responsibilities under the sponsorship agreement. As part of this they confirm to report any unauthorised absences or reportable changes of circumstances.

- The University monitors absence and leave for all staff via the iTrent system, including Tier 2 workers. Sickness absences are recorded in iTrent by line managers, and levels are monitored by HR. Staff request holiday absence under a self-service function in iTrent. These are capped in accordance with the terms of their contract of employment and cannot be exceeded.

KEY FINDINGS:

We have identified seven findings of a medium significance, which cover the following areas:

- There is no overarching policy setting out LSBU's approach to compliance with UKVI and Right to Work regulations, with supporting procedures signposting individual procedures and referencing current regulations.

- Some right to work check documents were missing, incomplete or illegible.

- The process for checking and reporting Tier 2 changes is not documented and the report used to identify changes to Tier 2 staff contains some staff who have been incorrectly categorised as Tier 2.

- Although there are file checklists to ensure that all Tier 2 processes have been carried out prior to applying for a CoS these are not consistently reviewed and signed off.

- Line managers who manage Tier 2 staff are not asked to confirm responsibility for reporting unauthorised absences or changes in job details, and some annual letters

Page 53

LONDON SOUTH BANK UNIVERSITY, UKVI – TIER 2

from Tier 2 staff agreeing to their responsibilities under the sponsorship agreement had still to be submitted three weeks after the due date.

<div style="background:#29ABE2;color:#fff">CONCLUSION:</div>

Due to the issues identified above we are able to provide limited assurance over the design of controls and moderate assurance over the effectiveness of the controls LSBU has in place to establish employees' right to work in the UK and compliance with its obligations under its Tier 2 and Tier 5 sponsorship licenses under UKVI requirements.

<div style="background:#29ABE2;color:#fff">OUR TESTING DID NOT IDENTIFY ANY CONCERNS SURROUNDING THE CONTROLS IN PLACE TO MITIGATE THE FOLLOWING RISKS:</div>

✔ Vacancies are not advertised for the minimum period of 28 days (either continuously or in two stages) and/or one stage is advertised for less than seven days

Page 54

LONDON SOUTH BANK UNIVERSITY, UKVI – TIER 2

DETAILED FINDINGS

RISK: POLICIES AND PROCEDURES ARE NOT IN PLACE TO SUPPORT COMPLIANCE WITH HOME OFFICE AND UKVI REQUIREMENTS, INCLUDING AN EMPLOYER'S GUIDE TO ACCEPTABLE RIGHT TO WORK DOCUMENTS, TIERS 2 AND 5: GUIDANCE FOR SPONSORS AND APPENDIX D: KEEPING DOCUMENTS GUIDANCE FOR SPONSORS

Ref	Sig.	Finding
1	🟧	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 previously had a suite of UKVI related policies which were published on the intranet. However, the decision was taken to simplify the information provided to wider staff and instead an introductory UKVI video has been published. There are a number of individual procedures such as the UKVI Right to Work procedure and the UKVI Visa Expiry procedure but there is no documented framework setting out the University's approach to arrangements for migrant workers, sign posting them to relevant guidance.

There is a risk that staff are not provided with clear guidance to support them in ensuring the University complies with UKVI requirements. |

RECOMMENDATION:

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. An example of a typical framework will be provided to management.

MANAGEMENT RESPONSE:

The UKVI video was the first stage of our new campaign to widen awareness and initially signpost university staff to specialist advice provided by HR. A new overarching policy framework document will be developed and published by the Recruitment function, bringing the individual procedures together.

Responsible Officer:	Marisha Drayton, Recruitment Partner
Implementation Date:	30 June 2020

6

LONDON SOUTH BANK UNIVERSITY, UKVI – TIER 2

RISK: POLICIES AND PROCEDURES ARE NOT IN PLACE TO SUPPORT COMPLIANCE WITH HOME OFFICE AND UKVI REQUIREMENTS, INCLUDING AN EMPLOYER'S GUIDE TO ACCEPTABLE RIGHT TO WORK DOCUMENTS, TIERS 2 AND 5: GUIDANCE FOR SPONSORS AND APPENDIX D: KEEPING DOCUMENTS GUIDANCE FOR SPONSORS

Ref	Sig.	Finding
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.

There is a Right to Work (RTW) procedure in place which covers a number of the key aspect of the Home Office regulations and signposts the reader to the UKVI guidance. However, it does not contain embedded links to current guidance and refers to The Home Office - An Employers Guide to Right to Works Checks August 2017 which has been superseded by a version published in January 2019. The procedure is not dated and version controlled.

It is not clear who the intended user is, whether Recruitment staff or other staff within the university. Although it covers the principle aspects of RTW work checks detail is not provided on areas such as:

    i.   that original documents must be provided for checking

    ii.   that documents should be cross checked and checked against the applicants appearance to check for any anomalies. Any differences in names must be explained by providing relevant documentation.

    iii.   that copies should be taken of documents and that these should be in an unalterable format such as jpeg, pdf

    iv.   guidance on what should be copied from passports

    v.   that all other documents should be copied in their entirety.

There is a risk that Right to Work checks are not carried out in accordance with UKVI requirements.

RECOMMENDATION:

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.

MANAGEMENT RESPONSE:

The original procedure in early 2018 was designed to be read by HR staff in conjunction with the Home Office Guidance and its detailed RTW checklist. The document will be amended as per the recommendation.

Responsible Officer:	Edith Baker, HR Business Partner
Implementation Date:	30 June 2020

LONDON SOUTH BANK UNIVERSITY, UKVI – TIER 2

RISK: THE UNIVERSITY MAY BE UNABLE TO DEMONSTRATE THAT ALL STAFF HAVE THE RIGHT TO WORK IN THE UK AND MAY BE IN BREACH OF LEGISLATIVE REQUIREMENTS

Ref	Sig.	Finding
3		There were a number of missing, incomplete or illegible right to work (RTW) documents.

Testing of RTW checks on 184 staff (10% of staff employed in the 15 months to 31 October 2019) found:

- two where no RTW documents could be located (hourly paid lecturers from 2009 and 2014)

- a further eight where copy documents could not be located but passport details (number, start and expiry date) had been recorded in iTrent (three started in 2019, four in 2017 and one in 2016).

- three where the RTW copy was illegible (started 1999 – 2013)

- eight where the only RTW documents were UK birth certificates (one from 2018, the rest were pre 2014)

NB allowable RTW documents for employment on or after 29 February 2008 include a full UK birth certificate but it must be produced in conjunction with an official document giving the person's National Insurance Number and their name issued by a Government agency or a previous employer. Copies of NI documents were not retained with the eight birth certificates above.

There is a risk that RTW checks have not been carried out, that they do not comply with the UKVI regulations in place at the time of recruitment or that the University cannot provide evidence that RWT checks have been carried out.

RECOMMENDATION:

RTW checks should be re-performed for staff with missing or illegible documents identified in our sample testing.

For staff where only birth certificates are held the University should add copies of their official NI records to their RTW check records.

HR should assess the risk of whether RTW documents held in eFiling for other current staff not included in the sample testing are not compliant and determine its approach to this. One approach might be to test a percentage of current staff recruited prior to 2019/20 as a one-off exercise and then a fixed annual percentage of new staff in each academic year. Note it is a requirement for RTW records to be kept for two years after an employee leaves.

LONDON SOUTH BANK UNIVERSITY, UKVI – TIER 2

MANAGEMENT RESPONSE:

The process for collecting RTW document for hourly paid lectures has been replaced by a more robust system and process. This system ensures that an individual cannot start without a valid RTW saved on file.

I have identified the three files from 2019 which are located on an ex-employee's email account, these are being sourced by the IT Security team, the data will then be added to the online filing system.

For staff where only birth certificates are listed the HR team will obtain the additional documents.

The above finding has highlighted a risk that due to the previous process and procedure there may be employees which do not have a RTW listed on file. In order to address this risk the HR Operations Team will take on the recommendation and test a percentage of current staff recruited prior to 2019/20 as a one-off exercise and then a fixed annual percentage of new staff in each academic year.

Responsible Officer:	David Lee, Head of HR Operations

Implementation Date:	30 May 2020

LONDON SOUTH BANK UNIVERSITY, UKVI – TIER 2

RISK: CHANGES OF STATUS FOR TIER 2 STAFF ARE NOT IDENTIFIED OR REPORTED TO UKVI, OR ARE NOT REPORTED IN A TIMELY MANNER		
Ref	**Sig.**	**Finding**
4	🟧	The process for checking and reporting Tier 2 changes is not documented.

The Head of HR Operations, the Head of Compliance and the Recruitment Partner receive a weekly automated email with a system generated report from iTrent of changes in address, location and grade for Tier 2 staff. Although the Head of Operations, who previously was responsible for reporting any changes to UKVI continues to have oversight of the report, responsibility for checking and reporting any changes now lies with the Recruitment team. The process and responsibility for checking and reporting on this is not documented and given the recent high level of staff turnover in the team there is a risk that processes may not be understood or followed.

Although we did not find evidence that reportable information had failed to be reported there is a risk that changes could fail to be reported in accordance with required timescales.

RECOMMENDATION:

The process for checking and reporting changes to reportable Tier 2 data should be documented and Recruitment staff should be instructed of its responsibilities in relation to this. Records of any changes reported and the reporting timescales should be maintained to provide oversight that requirements are being adhered to.

MANAGEMENT RESPONSE:

The process for checking and reporting changes will be added to the recruitment UKVI training documentation.

Responsible Officer:	David Lee, Head of HR Operations
Implementation Date:	30 March 2020

10

LONDON SOUTH BANK UNIVERSITY, UKVI – TIER 2

RISK: CHANGES OF STATUS FOR TIER 2 STAFF ARE NOT IDENTIFIED OR REPORTED TO UKVI, OR ARE NOT REPORTED IN A TIMELY MANNER

Ref	Sig.	Finding
5	🟧	The iTrent report which is used to identify changes to Tier 2 staff contains staff incorrectly categorised as Tier 2. There is a risk that the University does not have sufficiently accurate reporting information on Tier 2 staff, to enable reportable changes to be promptly reported to UKVI.

RECOMMENDATION:
The report should be reviewed monthly by the Recruitment team to ensure Tier 2 staff are correctly classified.

MANAGEMENT RESPONSE:
In reference to those incorrectly listed as tier 2, there will be a briefing to the HR Service Desk and Recruitment team on the procedure for moving employees from listed as on a VISA to settled status.

Responsible Officer:	David Lee, Head of HR Operations
Implementation Date:	30 March 2020

LONDON SOUTH BANK UNIVERSITY, UKVI – TIER 2

RISK: CERTIFICATES OF SPONSORSHIP ARE ISSUED WITHOUT SATISFACTORY CHECKS BEING COMPLETED AND ELIGIBILITY VERIFIED		

Ref	Sig.	Finding
6	🟧	Tier 2 file checklists are not consistently reviewed and signed off.

Recruitment creates manual staff files for each Tier 2 employee which have a checklist on the front covering the key UKVI processes from job advertisement to CoS application and RTW checks. It was intended that the checklist should be independently checked as complete by a member of HR. One of the seven manual files checked did not have a checklist, and for another four the checklist had not been independently checked. The sign-off field section is not dated.

There is a risk that Tier 2 requirements have not been complied with prior to CoS applications and that RTW checks have not been completed prior to a Tier 2 employee starting work.

RECOMMENDATION:

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.

MANAGEMENT RESPONSE:

This recommendation will be implemented by the recruitment team.

Responsible Officer:	Marisha Drayton, Recruitment Partner
Implementation Date:	29 February 2020

LONDON SOUTH BANK UNIVERSITY, UKVI – TIER 2

RISK: TIER 2 STAFF WHO DO NOT ATTEND ARE NOT REPORTED TO UKVI, OR NOT REPORTED IN A TIMELY MANNER. HR STAFF AND LINE MANAGERS ARE UNAWARE OF THEIR OBLIGATIONS IN RELATION TO THE RECRUITMENT AND MANAGEMENT OF TIER 2 AND 5 WORKERS.

Ref	Sig.	Finding
7	🟧	Annual acknowledgements of sponsorship responsibilities had not all been received and line managers are not asked to accept responsibility for reporting unauthorised absences or changes in job details.

Tier 2 staff were sent an annual letter to sign confirming they understand their responsibilities under the sponsorship terms to be returned by 22 November 2019.

Of the ten Tier 2 staff tested two had not returned signed forms by 13 December 2019 and one had typed her name on the response letter rather than signing it, but had not been asked to resend a signed version.

Line managers responsible for Tier 2 staff were also sent an email with a voting button asking them to confirm that they understand the named worker 'holds a visa sponsored by the University under its Home Office sponsor licence and that their visa carries various responsibilities for reporting changes in job details and recording absence.'

Four managers had not responded to the email and it appears from some of the responses by managers that they were not clear what was being asked of them by using the voting button. The email does not specifically require managers to accept responsibility for reporting absences or changes to job details.

There is a risk that Tier 2 workers or LSBU do not understand and comply with the terms of their sponsorship, including reporting any changes in job details or unauthorised absences.

RECOMMENDATION:

HR should escalate the follow-up of missing signed letters from Tier 2 staff, and should consider giving them a longer notice period for returning them for the next annual submission.

Deans should ensure that staff who manage sponsored workers under Tier 2 arrangements are briefed on their responsibilities and the need to comply with these. This should include submitting annual declaration of responsibility returns.

MANAGEMENT RESPONSE:

To ensure a more stringent understanding, line managers will be written to at the beginning of recruitment of a Tier 2 person to ensure they understand their responsibilities and annual responsibilities.

The Tier 2 sponsored employees will also be written to ensure understanding of their responsibilities and annual responsibilities.

Responsible Officer:	Marisha Drayton, Recruitment Partner
Implementation Date:	29 February 2020

13

LONDON SOUTH BANK UNIVERSITY, UKVI – TIER 2

OBSERVATIONS

EXAMPLES OF GOOD PRACTICE

We compared LSBU's arrangements in relation to Tier 2 and 5 staff with that of other clients, to identify any additional good practice. Two other HE providers have commissioned third party reviews of their sponsorship and right to work processes, and at one HR carries out an annual audit of employee files for compliance with UKVI regulations. LSBU could consider taking this approach.

LONDON SOUTH BANK UNIVERSITY, UKVI – TIER 2

STAFF INTERVIEWED

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

Marisha Drayton	Recruitment Partner (Interim)
Elaine Hall	Recruitment Advisor
David Lee	Head of HR Operations
Cryss Mennaceur	HR Services Manager
Edward Spacey	Head of People and Organisation Compliance

LONDON SOUTH BANK UNIVERSITY, UKVI – TIER 2

APPENDIX I – DEFINITIONS

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

RECOMMENDATION SIGNIFICANCE

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

Page 65

LONDON SOUTH BANK UNIVERSITY, UKVI – TIER 2

APPENDIX II - TERMS OF REFERENCE

PURPOSE OF REVIEW:

The purpose of the audit is to provide assurance over the controls the University has in place to comply with the Immigration, Asylum and Nationality Act 2006, specifically the controls in place to establish employees' right to work in the UK and compliance with its obligations under its Tier 2 and Tier 5 sponsorship licenses.

KEY RISKS:

- Policies and procedures are not in place to support compliance with Home Office and UKVI requirements, including An Employer's Guide to Acceptable Right to Work Documents, Tiers 2 and 5: Guidance for Sponsors and Appendix D: Keeping Documents Guidance for Sponsors

- HR staff and line managers are unaware of their obligations in relation to the recruitment and management of Tier 2 and 5 workers

- Vacancies are not advertised for the minimum period of 28 days (either continuously or in two stages) and/or one stage is advertised for less than seven days

- The University may be unable to demonstrate that all staff have the right to work in the UK and may be in breach of legislative requirements

- Certificates of sponsorship are issued without satisfactory checks being completed and eligibility verified

- Changes of status for Tier 2 staff are not identified or reported to UKVI, or are not reported in a timely manner

- Tier 2 staff who do not attend are not reported to UKVI, or not reported in a timely manner.

LONDON SOUTH BANK UNIVERSITY, UKVI – TIER 2

SCOPE OF REVIEW:

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

- Review of the policies and procedures in place to support compliance with Home Office and UKVI requirements, including An Employer's Guide to Acceptable Right to Work Documents', Tiers 2 and 5: Guidance for Sponsors' and Appendix D: Keeping Documents Guidance for Sponsors

- Training provided to HR staff and line managers in relation to the recruitment and management of Tier 2 and 5 workers

- A review of job advertisement periods for evidence of compliance with minimum timescales

- A review of HR files of existing staff for compliance with the requirement to maintain evidence of the right to work in the UK

- A review of HR files of staff sponsored under Tier 2 & 5 arrangements to confirm whether the University can demonstrate that certificates of sponsorship were issued after satisfactory checks were completed and eligibility verified

- A review of HR files of staff sponsored under Tier 2 & 5 arrangements to confirm whether all required evidence is maintained by the University and that the member of staff has a current visa

- Processes to identify and report changes of status for Tier 2 employees to UKVI

- Processes to identify, record and monitor Tier 2 staff who stop attending and process to report staff who do not attend.

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

LONDON SOUTH BANK UNIVERSITY, UKVI – TIER 2

APPROACH:

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

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

We will review the appropriateness of policies and procedures in place the University has in place to support compliance with Home Office and UKVI requirements, including An Employer's Guide to Acceptable Right to Work Documents', Tiers 2 and 5: Guidance for Sponsors' and Appendix D: Keeping Documents Guidance for Sponsors. We will confirm whether policies and procedures are made available to LSBU staff involved in the recruitment of staff.

We will consider whether appropriate training is provided to HR staff and line managers in relation to the recruitment and management of Tier 2 & 5 workers.

We will complete a review of a sample of HR files of existing staff for compliance with the requirement to maintain evidence of the right to work in the UK. We will also perform a review of a sample of HR files of staff sponsored under Tier 2 & 5 arrangements to confirm whether the University can demonstrate that certificates of sponsorship were issued after satisfactory checks were completed and eligibility verified and to confirm whether all required evidence is maintained by the University and whether they have a current visa.

In order to do this we will select random sample of 10% of current staff and 20% of Tier 2 and 5 sponsored staff. For each member of staff selected we will obtain the HR file and review the evidence held on file to support each individual's right to work in the UK. For our sample of all staff we will review documentation held on file against the guidance set out in the Home Office document An Employer's Guide to Acceptable Right to Work Documents. For our sample of Tier 2 & 5 staff we will review documentation held on file against the Home Office guidance Appendix D: Keeping Documents Guidance for Sponsors' and An Employer's Guide to Acceptable Right to Work Documents'.

We will review the processes to identify and report changes of status for Tier 2 employees to UKVI. We will evaluate the controls to identify changes to;
- Personal details of the employee
- Place of work
- Role to be undertaken
- Salary (outside of annual uplifts)
- Hours of work
- Duties and responsibilities.

We will confirm that changes of status are reported in a timely manner by selecting a sample of recent changes of status and confirming these were reported to UKVI within ten working days of the change occurring.

We will assess the processes to identify, record and monitor Tier 2 workers who stop attending and the process to report workers that do not attend. We will review absence data for Tier 2 staff and identify any unauthorised absences lasting ten days or longer, and for a sample (number to be confirmed when population known) confirm whether timely reporting was made to UKVI.

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

LONDON SOUTH BANK UNIVERSITY, UKVI – TIER 2

ADDED VALUE:

In addition to the above areas we will also:

We will assess the University's arrangements for the management of its UKVI obligations in relation to Tier 2 and 5 staff against a sample of other universities we work with to assess whether any good practice seen elsewhere could be implemented by LSBU.

DATA ANALYTICS:

We have considered the use of data analytics as part of this audit and the following tests will be performed:

KEY RISKS:	DATA ANALYTICS TO PERFORM:
Changes of status for Tier 2 staff are not identified or reported to UKVI, or are not reported in a timely manner	Obtain a report from the payroll system of all reportable changes to UKVI and select a sample to assess whether they have been reported within ten days.
Tier 2 staff who do not attend are not reported to UKVI, or not reported in a timely manner.	Obtain absence reports of all Tier 2 staff within the last 12 months and assess whether there are any of ten days or more. For a sample we will assess whether the University investigated and reported these where necessary.

We will perform the data analytical work in advance of our site fieldwork. Any exceptions found will be communicated and investigated during our fieldwork.

FOR MORE INFORMATION:

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	CONFIDENTIAL
Paper title:	**Internal Audit – Student data audit**
Board/Committee:	Group Audit and Risk Committee
Date of meeting:	13 February 2020
Author(s):	BDO
Sponsor(s):	Richard Flatman, Chief Financial Officer
Purpose:	For Review
Recommendation:	The Committee is requested to note the report and its findings.

Summary

Overall the report gives a moderate level of assurance for control design and a moderate level of assurance for operational effectiveness of the controls in place to safeguard the quality of student data. Three medium and 4 low risk recommendations have been made. All recommendations have been accepted by management and actions to address these findings will be completed by the end of September 2020.

Some of the findings relate to the way student engagement is captured and reported, and the University is looking at options for effective attendance monitoring as this has implications for compliance around UKVI, apprenticeships and academic regulations as well as the retention and achievement of students. In the short term this is around the use of existing reports, but a long term solution is also being investigated.

The report refers to processes for recording data for students on Health CPD courses and currently this is manually entered on the student records system (QL) as there is no direct interface with the Wozzad system used in Health. Going forward, system and process changes necessary to automate the CPD record keeping process will be scoped.

Regarding recommendations around module choices, the University is seeking to centralise the module choice process and subsequent timetabling and room allocation.

Recommendation:
The Committee is requested to note this report

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LONDON SOUTH BANK UNIVERSITY

INTERNAL AUDIT REPORT – FINAL

STUDENT DATA – CONTINUOUS AUDITING
JANUARY 2020

LEVEL OF ASSURANCE	
Design	Operational Effectiveness
Moderate	Moderate

LONDON SOUTH BANK UNIVERSITY, STUDENT DATA – CONTINUOUS AUDITING

DISTRIBUTION	
Richard Flatman	Chief Financial Officer
Lisa Upton	Head of Registry
Andrew Ratajczak	Head of Fees and Bursaries
Francesca Moultrie	Student Engagement Manager
Heather Collins	Apprenticeship Implementation Manager
Natalie Ferer	Financial Controller
REPORT STATUS LIST	
Auditors:	Anthony Higginson and Aayushi Karsan
Dates work performed:	28 October – 11 November 2019
Draft report issued:	16 January 2020
Final report issued:	27 January 2020

Page 74

LONDON SOUTH BANK UNIVERSITY, STUDENT DATA – CONTINUOUS AUDITING

EXECUTIVE SUMMARY

LEVEL OF ASSURANCE: (SEE APPENDIX I FOR DEFINITIONS)

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

SUMMARY OF RECOMMENDATIONS: (SEE APPENDIX I)

High	▲	
Medium	■	3
Low	●	4
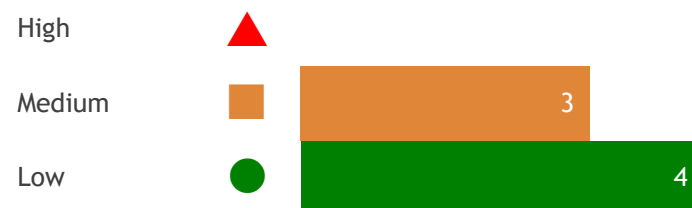
TOTAL NUMBER OF RECOMMENDATIONS: 7

BACKGROUND:

In previous years, the University has had a suite of continuous student data audits included in its Annual Internal Audit Plan. These focused on checking whether a list of predetermined controls in the areas of enrolment, enrolment – apprenticeships, student attendance monitoring, enrolment amendments and system access are designed appropriately and operating effectively. BDO has been requested to continue the scope of these audits with a greater focus on assessing whether the associated key risks are being mitigated.

Full-time undergraduate applicant data is provided by UCAS. Applicant data is transferred daily from UCAS to data tables within QLX, a module in the student record system Unit4 (for simplicity, all aspects of the student record system, QLS, QLX etc shall subsequently be called Unit4). To prevent duplicate records being created, bespoke software checks various fields within the applicant data against pre-existing student records held in Unit4. A report is provided to the Admissions team for it to confirm whether these are pre-existing students or new applicants to London South Bank University (LSBU). If this is a new applicant, a new student record with a unique identifier is created within Unit4.

For part-time undergraduate, apprenticeships (non-health), health courses, postgraduate courses and international students, two bespoke systems have been created to capture applicant data. UK APPS and International are web services applications which capture applicant data on completion of an online form. Specific code has been written to map this data to Unit4.

Apprenticeships (health) are captured through a third party system called Wozzad. The rationale for using this is that health trusts also utilise this system to vet applications prior to agreeing funding. As with UK APPS and International, the data is mapped to Unit4. The expectation is that the process for capturing apprenticeships (non-health) application data will transfer over to Wozzad in January 2020.

Finally, CPD courses are also captured in Wozzad. The only difference is that the application data is not being mapped across to Unit4. We were informed that this is due to the difference in data hierarchies between the two systems and the tight time constraints

Page 75

LONDON SOUTH BANK UNIVERSITY, STUDENT DATA – CONTINUOUS AUDITING

associated with CPD courses. As such, members of the Student Administration team will manually input the CPD student data into Unit4 upon enrolment.

Once students have been accepted onto the course and completed the pre-enrolment process, they are invited to physically enrol at LSBU. As part of the enrolment process the student is required to provide evidence of their right to study in the United Kingdom as well as provide proof of identity and qualifications. At enrolment, a member of the Admissions team will complete the enrolment form, confirming that the required evidence to support the entry requirements onto the course is in place. The authenticity of the identity documentation is checked with a system called Trust ID. The student then signs the enrolment form to confirm that they will comply with LSBU's Enrolment Terms, Tuition Fee Regulations and Data Protection policy. Following this, the Fees and Bursaries team will complete a tuition fee calculation sheet to assess what student type should be assigned to them. The student type determines the fees that will be charged to the student or funder.

Each year, the Apprenticeship Implementation Manager will review the Education and Skills Funding Agency's (ESFA) update of the apprenticeship funding rules for main providers. She will determine key changes and cascade these through the team. Prior to enrolment, LSBU is required to confirm the eligibility of the prospective apprentice. To qualify they must show that the individual requires significant new knowledge, skills and behaviours to be occupationally competent in the job role. Supporting the delivery of the apprenticeship, the apprentice is required to have an apprenticeship agreement in place between the employer and the apprentice and a commitment statement (often known as the individual learning plan), which details how LSBU and the employer will support the apprentice to achieve the objectives of the apprenticeship. The commitment statement will detail the number of off-the-job training hours to be received.

LSBU operates a Student Engagement procedure for all students other than those that are on a tier 4 student visa. Student engagement is monitored using a variety of metrics including:

- Entry onto campus
- Moodle (the student VLE) use
- Attendance at teaching sessions
- Submission of assessments
- MyLSBU use

Data is captured through the Student Point of Contact (SPOC) report. Students failing to meet the minimum requirements of engagement are subject to a series of emails and letters prior to discussion with the Director of Education and Student Experience.

LSBU also monitors student attendance through the Student Attendance Monitoring (SAM) report. Unlike the SPOC report, this report interfaces with curriculum data held in the timetabling system CMIS. The SAM report is only used for students on a tier 4 student visa.

If a student wishes to change course, they are required to complete a Change of Course Form. Approval is sought by the current and the receiving course directors. The Admissions team will then check that the student meets the academic requirements of the new course. An assessment will also be made as to whether the course has any material effect on the student's visa, if they have one, and the funding in place.

If a student wishes to interrupt their studies or to withdraw from their course, they are required to complete an Interruption and Withdrawal Form which details why they want to interrupt or withdraw from their studies. They are also required to attend an appointment with the Student Life Centre. The Admissions team is responsible for updating Unit4 with any course changes, withdrawals and interruptions. Details are captured in an Oracle spreadsheet called the Change Log. The Fees and the Bursaries team uses this log to notify funders and chase any outstanding fees payable.

LONDON SOUTH BANK UNIVERSITY, STUDENT DATA – CONTINUOUS AUDITING

Most students will be assigned compulsory modules when they first join LSBU. However, as their studies progress, there may be options to choose optional modules. Modules are assigned to the student's record in Unit4 by members of the Student Administration team. Only modules which are relevant to the year of study and the specific course are available to select.

Access to Unit4 is controlled through workgroups which have specific permissions attached to them. The Assistant Registrar is responsible for defining the workgroups that new starters should be provided. Any new starter requires approval from ICT Services and their line manager. The Assistant Registrar obtains a report of all leavers within the University each month. An MS Access query is used to identify whether the leavers have profiles that need disabling in Unit4.

LSBU is undertaking an accelerator programme with the assistance of PwC to review its internal processes. Across the University, a number of processes are being reviewed and trials are being undertaken to adopt potentially more agile and efficient ways of working. Some of the trials undertaken have affected the processes in place to capture student data. For example, one trial related to the student enrolment process and, instead of requiring physical copies of qualifications to be provided, a select group of students were able to provide documentation online instead.

The purpose of the audit was to provide assurance over the controls LSBU has in place to manage the quality of student enrolment, apprenticeship enrolment, student attendance and module data.

SCOPE AND APPROACH:

Initial interviews were held with the Head of Registry and members of the apprenticeships, engagement, fees and bursaries, student administration and ICT teams to identify the key controls in place to safeguard the quality of student data.

We walked through the process of application and enrolment to identify how student data was captured and transferred to Unit4. A specific focus was on where manual intervention or manipulation of data was undertaken. The controls in place to maintain the integrity of application and enrolment data was reviewed.

The process to determine the fees to be charged was reviewed. For a sample of five students, we confirmed whether the fees they were charged agreed to their funding assessment as per their enrolment form.

For a sample of 20 students that had either enrolled or re-enrolled in the 2019/20 academic year, we confirmed whether they had been enrolled using the enrolment form and whether status, identity, qualifications, criminal conviction and funding means had been checked prior to enrolment. Where relevant, we also confirmed whether their right to study had been confirmed. We obtained a report of all enrolments, withdrawals and course changes made since the start of the 2019/20 academic year to help identify any incomplete student records.

The Admissions and Enrolment procedure was compared to actual practice. We also confirmed whether this procedure was accessible to students and staff. Where additional temporary staff were recruited to support enrolments, we checked whether they has received training.

We met with the Apprenticeship Implementation Manager to identify whether the key requirements of the ESFA were distilled into internal guidance. For a sample of 20 apprentices that had enrolled or re-enrolled this academic year, we verified whether their qualifications had been assessed by an LSBU academic, whether they had an individual learning plan, commitment statement, apprenticeship agreement, detailed off-the-job training hours, BKSB assessment and DBS in place prior to their enrolment.

Page 77

LONDON SOUTH BANK UNIVERSITY, STUDENT DATA – CONTINUOUS AUDITING

The process for monitoring and managing poor student engagement and attendance was reviewed. We met with the Business Intelligence and Reporting Team Lead to identify how the SPOC report was designed and met with the Student Engagement Team Leader to identify how the SPOC report was being used. We compared the data held in the SPOC report to data provided from Unit4 to identify whether the SPOC report was complete and analysed whether the SPOC report supported the assessment of student engagement. We inspected the processes implemented to capture student attendance through the SAM report and through the use of paper attendance forms. We benchmarked the University's student engagement process against six other HEI institutions. For a sample of five students that were failing to meet the minimum engagement as defined in the Student Engagement procedure, we checked whether they had been contacted as prescribed in the procedure.

The processes implemented to identify and process student requests to change course, withdraw and interrupt their studies were observed. For a sample of 15 students that had changed course since the start of the 2019/20 academic year, we confirmed whether they had received academic approval from the course directors and had their qualifications checked prior to changing course. For 15 students that had withdrawn from their studies since the start of the 2019/20 academic year, we verified whether they had met with the Student Life Centre and completed a withdrawal form. For all 30, we confirmed whether the change or withdrawal had been processed in Unit4 and the funder notified on a timely basis. For all course changes made since the start of the 2019/20 academic year, we also checked whether there was a defined cut-off date and whether all requests for change of course had been made within this timeframe.

We inspected the process undertaken by student administrators to assign compulsory and optional modules in Unit4. We confirmed whether there was a defined process and cut-off date for obtaining and processing optional module choices. We verified whether there was any exception reporting of module changes. For a sample of 15 students who had re-enrolled this academic year we confirmed whether documentation existed to support the module choices assigned in Unit4. Reporting of discrepancies of module data was inspected.

The processes in place to control access and permissions in Unit4 were reviewed. We obtained a list of live profiles in Unit4 and the specific work groups they were assigned to. Specifically, we confirmed whether the number of administrator accounts was appropriate and whether there was a defined process to control the addition of new users and remove accounts from those who have left. For a sample of ten new starters and ten individuals who had left since the start of the academic year, we confirmed whether they had been subject to the appropriate approvals and had been added/removed from Unit4 with the correct permissions in a timely manner.

As part of our review we also followed up internal audit recommendations and re-performed testing where there was exceptions from PwC's previous student data audit.

GOOD PRACTICE:

A number of areas of good practice were identified during the audit including:

- Students are provided the opportunity to confirm or amend their application details provided prior to enrolment through a series of online screens. This process has been designed to ensure the necessary pre-enrolment information has been confirmed and assists in the assessment of the student's status. The output of this process is the enrolment form which is agreed with the student at the point of enrolment.

- The validity of passports are checked using a device provided by a third party called TrustID.

- Temporary staff recruited to support the enrolment process receive four days of training to ensure key processes are followed upon enrolment.

LONDON SOUTH BANK UNIVERSITY, STUDENT DATA – CONTINUOUS AUDITING

- All apprenticeships reviewed were supported by the necessary documentation, including commitment statements and apprenticeship agreements. Each had planned off-the-job training hours and were subject to academic checks prior to enrolment.

- For our sample of withdrawals, they were all processed in Unit4 within a week. The funder was subsequently notified in a timely basis, with the longest taking 15 days.

- A member of the Registry team runs periodic reports to identify where incomplete modules are assigned to student records. This is completed three times a year.

- An online questionnaire has been designed to help identify what roles and responsibilities a new starter has and therefore what workgroups the new user should be assigned to in Unit4. This is authorised by their line manager and ICT Services prior to their profile being activated. The Assistant Registrar obtains an automatic report of all leavers within the University, from the HR system each month. An MS Access query is used to identify whether the leavers have profiles that need disabling in Unit4.

KEY FINDINGS:

As a result of our review we have identified seven findings; three of a medium significance and four of a low significance.

These findings relate to the way student engagement is captured and reported and that the SPOC report does not provide useful management information on student engagement. Furthermore, student engagement is reviewed on a two fortnightly basis and does not look at trends in the student's engagement. The process to monitor student engagement is time consuming and requires manual manipulation.

LSBU does not have controls in place to identify students who have been enrolled twice. We identified one student who was enrolled in the UK and in Egypt at the same time.

There is no evidence to confirm that one student had their identity checked prior to being enrolled.

CONCLUSION:

As a result of the findings raised, we are able to provided moderate assurance over both the design and over the operational effectiveness of controls in place to safeguard the quality of student data.

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

✓ ESFA requirements are not complied with. This could result in London South Bank University losing funding for apprentices or restrictions being imposed on future apprenticeship programmes.

✓ Student attendance records are incorrect, undermining the reliability of management information.

✓ Reporting of changes in circumstances to the SLC are not reported and processed accurately, completely and on a timely basis. This could mean student data is inaccurate.

✓ Users have unauthorised access and can make inappropriate amendments to student records which could compromise the validity, accuracy and completeness of student data.

LONDON SOUTH BANK UNIVERSITY, STUDENT DATA – CONTINUOUS AUDITING

DETAILED FINDINGS

RISK: STUDENT ENGAGEMENT RECORDS ARE INCORRECT, UNDERMINING THE RELIABILITY OF MANAGEMENT INFORMATION

Ref	Sig.	Finding
1	🟧	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.

- The Student Point of Contact (SPOC) report does not provide useful management information on student engagement and we identified a number of weaknesses with the design of the report. These have been included in Appendix I.

  The SAM report is more sophisticated than the SPOC report and it attempts to map the student's attendance to the timetabling data, obtained from the timetabling system, CMIS. The SAM report identifies the number of times a student has attended specific classes and enables the Engagement team to assess whether the student has attended lectures as prescribed by the timetabling system. However, this is only utilised for Tier 4 students.

- Currently the Student Engagement procedure defines the minimum threshold of engagement as entry onto campus and use of Moodle. We were informed that attendance at lectures is also considered in practice but not included within the procedure. A review against six other HEIs identified that minimum engagement was measured using submission of assessments. Whilst the SPOC report has this functionality, it is not currently used.

- The current process to monitor student engagement is time consuming and inefficient. Students not meeting the required level of engagement as defined in the Student Engagement procedure are contacted using a series of emails and letters to ascertain why engagement is below the minimum expected. The activity undertaken by the Student Engagement team and responses received in relation to students not meeting the minimum engagement are manually recorded in a column within the Excel SPOC report. VLOOKUPs are used to roll this commentary into future SPOC reports. Due to the amount of data in the spreadsheet it is prone to crashing.

- We identified instances where the Student Engagement team was not provided with key curriculum information such as the dates of reading weeks and where students were on placement. As such, students were being chased because of poor attendance when they were not required to attend classes.

- The SPOC report reviews engagement over a two week period at a time. It does not consider longer term engagement or look at trends.

The current tools and process to measure student engagement do not provide a full picture of student engagement and are not efficient to operate and may lead to time being wasted which could be avoided.

Page 80

LONDON SOUTH BANK UNIVERSITY, STUDENT DATA – CONTINUOUS AUDITING

RECOMMENDATION:

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).

The minimum level of engagement as defined in the Student Engagement procedure should be updated to include lecture/workshop attendance. Consideration should be given to whether this should include submission of assignments as well (where applicable).

Records should only be kept of students failing to meet defined levels of engagement. This should reduce the amount of data required to be annotated and analysed.

Engagement analysis should be longer term rather than just on a weekly basis to identify patterns of poor engagement. These students should be investigated to identify whether additional support is required or whether the student is no longer wishing to continue with their degree.

MANAGEMENT RESPONSE:

The University will be undertaking a wide ranging review of its engagement/attendance procedures in Spring 2020. This will include looking at the capabilities of both existing SPoC and SAM – both of which have been amended and enhanced over the years, and are no longer used for their originally intended purpose. This is illustrated by the fact that SPoC is now being used as a data extract of student information, which is then interpreted to determine attendance, rather than an exception report. A new report to accommodate trends in engagement over a time period longer than 2 weeks is required (see final bullet point raised).

Responsible Officer:	Jamie Jones and BI team
Implementation Date:	31 May 2020

LONDON SOUTH BANK UNIVERSITY, STUDENT DATA – CONTINUOUS AUDITING

RISK: APPLICATION AND ENROLMENT DATA MAY BE INACCURATE. THIS COULD ALSO RESULT IN FEES NOT BEING CORRECT RESULTING IN STUDENTS BEING OVER OR UNDERCHARGED AND AN ASSOCIATED IMPACT ON INCOME.

Ref	Sig.	Finding
2		LSBU does not have controls to identify whether a student is enrolled erroneously on two courses.

A student was identified who was enrolled in the UK and in Egypt at the same time. It is likely they would have been charged fees for both courses.

This student was studying with the British University in Egypt (BUE) and LSBU at the same time. BUE provides a spreadsheet of all students that are enrolled in Egypt which is used for re-enrolment within Unit4. The Registry team believes it is likely that this student was erroneously included in this spreadsheet and was subsequently enrolled as a student in Egypt. This student travelled to the UK to enrol as a student with LSBU. Unit4 does not prevent someone being enrolled on two courses in the same year as this may be appropriate in certain circumstances (such as where multiple short courses or CPD courses are undertaken). However, there is also no manual check performed of these either.

There may be other students who are enrolled on multiple courses and therefore a risk that students are erroneously being charged more than they should.

RECOMMENDATION:

The Registry team should run a query of students enrolled, with the fully enrolled stage code, in the same academic year. Any student enrolled in multiple courses should be investigated and fees paid/payable reviewed.

This query should be run as standard on a periodic basis.

MANAGEMENT RESPONSE:

Agreed. Report run found no instances. Report will be run regularly.

Responsible Officer:	Lisa Upton, Head of Registry
Implementation Date:	31 January 2020

Page 82

LONDON SOUTH BANK UNIVERSITY, STUDENT DATA – CONTINUOUS AUDITING

RISK: APPLICATION AND ENROLMENT DATA MAY BE INACCURATE. THIS COULD ALSO RESULT IN FEES NOT BEING CORRECT RESULTING IN STUDENTS BEING OVER OR UNDERCHARGED AND AN ASSOCIATED IMPACT ON INCOME.

Ref	Sig.	Finding
3	🟧	Two of 20 students reviewed were fully enrolled in Unit4 prior to key documentation being checked. • In one instance, the student was fully enrolled before their passport/identity documentation had been obtained to confirm their status. • The other student had not met with the Fees and Bursaries team to confirm funding arrangements until after being fully enrolled on the course We were informed the issues arose because staff did not follow defined processes. If students are enrolled before pre-enrolment checks are made, or before key pre-enrolment documentation is obtained, there is a risk that students are enrolled by the University who are ineligible for funding/to participate on the course.

RECOMMENDATION:

The Registry team should review these cases to ascertain why these students were fully enrolled with a stage code without the necessary pre-enrolment checks being performed. Staff should be reminded of the defined processes.

MANAGEMENT RESPONSE:

Agreed.

Responsible Officer:	Lisa Upton, Head of Registry
Implementation Date:	31 January 2020

Page 83

LONDON SOUTH BANK UNIVERSITY, STUDENT DATA – CONTINUOUS AUDITING

RISK: STUDENT MODULE DATA IS INACCURATE OR INCOMPLETE, UNDERMINING THE RELIABILITY OF DATA.

Ref	Sig.	Finding
4	🟢	There is no defined process for obtaining module choices and no defined cut-off date that choices need to be made by. There is also no written guidance available to students on how to select module choices. Within a student record in Unit4, a student is assigned to a programme and specific modules are attached. For first year students, most modules are mandatory and cannot be amended. In later years, depending on their course, students can chose from a list of optional modules. The processes implemented to obtain module choices and the timeframes required to complete these choices depend on the school the programme is part of. Some schools use Moodle, the VLE for students to obtain module choices, others will use paper forms, and in other instances the Student Administrator will email the student. The student administrators, who sit within the schools, collect this information and update the student record system. This is a manual process of clicking the right modules in Unit4. There is no secondary check of this data input. Examples were described to us of programmes receiving module choices in September 2019 which is too late as module choices inform the timetabling and the exams entered and being unable to finalise these may have knock-on impacts on these processes. Some modules may also have maximum class sizes, perhaps due to space availability. Without a defined process adopted across all schools, with a clear cut-off date for module choices, the University may be unable to finalise timetabling requirements until the start of the academic year. Where paper forms are completed, there is a risk that student choices are lost, or inaccurately input into systems. This will further add to the inefficiencies in the process and could impact negatively on the student experience.

RECOMMENDATION:

A defined process and timeframe for obtaining module choices from students should be implemented.

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

Written guidance should be available to students on how and when to select module choices.

MANAGEMENT RESPONSE:

1. Agreed. June 2020
2. Agreed. Short and long term options are being facilitated by the LEAP accelerator projects.
3. Agreed.

Responsible Officer:	Tom Marley, Student Administration Operations Manager

LONDON SOUTH BANK UNIVERSITY, STUDENT DATA – CONTINUOUS AUDITING

Implementation Date:	1. June 2020
	2. Ongoing
	3. May 2020

LONDON SOUTH BANK UNIVERSITY, STUDENT DATA – CONTINUOUS AUDITING

RISK: REPORTING OF CHANGES IN CIRCUMSTANCES TO THE SLC ARE NOT REPORTED AND PROCESSED ACCURATELY, COMPLETELY AND ON A TIMELY BASIS. THIS COULD MEAN STUDENT DATA IS INACCURATE.

Ref	Sig.	Finding
5	🟢	Course changes were not always processed in a timely manner in Unit4.

For a sample of 15 course changes made in this academic year, we confirmed whether the change was processed in Unit4 in a timely manner. We identified:

- Three changes were completed within one week

- Six changes were completed within one - two weeks

- Three changes were completed within two - three weeks

- Two changes were completed within three - four weeks

- One change took over four weeks to be completed.

We were informed that the delay may be due to forms not being completed accurately and therefore Unit4 cannot be updated by Registry. The Registry team is considering revising the process so that any course change forms require review and approval by the Registry team prior to academic approval and therefore this will identify if forms have not been correctly completed upfront and will minimise delays once the change has been confirmed.

RECOMMENDATION:

We agree with the process change to obtain Registry scrutiny and approval prior to academic approval.

MANAGEMENT RESPONSE:

 A new change of course process is being implemented.

Responsible Officer:	Lisa Upton, Head of Registry
Implementation Date:	31 January 2020

Page 86

LONDON SOUTH BANK UNIVERSITY, STUDENT DATA – CONTINUOUS AUDITING

RISK: STUDENT ATTENDANCE RECORDS ARE INCORRECT, UNDERMINING THE RELIABILITY OF MANAGEMENT INFORMATION		
Ref	Sig.	Finding
6	🟢	Timetabling information is duplicated in the SAM report.

The SAM report is more sophisticated than the SPOC report. Unlike the SPOC report, which effectively counts whether a student has attended a class in the day, the SAM report attempts to map the student attendance to the timetabling data, obtained from the timetabling system, CMIS.

The SAM report identifies the number of times a student has attended specific classes. The data can be presented at a course level or a student level. The SAM report enables the Engagement team to assess whether the student has attended lectures as prescribed by the timetabling system.

We reviewed the SAM report for a first year, BA (Hons) Architecture student with ID 3604136. The SAM report provided a long list of courses with the times, rooms, lecturer and whether the student attended them or not.

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

- The student had been allocated four lectures on a Tuesday between 10:00 and 13:00, in four different rooms
- Four lectures on a Tuesday between 14:00 and 17:00 in four different rooms
- Four lectures on a Thursday between 10:00 and 13:00 in four different rooms
- Four lectures on a Thursday between 14:00 and 17:00 in different rooms

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

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

RECOMMENDATION:

The Business Intelligence and Reporting team should investigate whether the SAM report can be developed to prevent duplication of timetabling records where classes are split.

MANAGEMENT RESPONSE:

Short term: The Business Intelligence team will investigate reporting options.

Long term: The duplication on the SAM report, as per the example identified, reflects how the timetable bookings are set up in the timetable system. The timetable users should be using the student fitting facility within CMIS to specify which session a particular student is timetabled on when there are multiple sessions split across different rooms. The SAM report will then only show that session for the student and whether or not they attended. This will be referred to the timetabling team to investigate.

LONDON SOUTH BANK UNIVERSITY, STUDENT DATA – CONTINUOUS AUDITING

Responsible Officer:	Short term – Ken Rose, BI & Reporting Team Leader
	Long term – Timetabling team

Implementation Date:	Short term – by 1 Sept 2020
	Long term - ongoing

Page 88

LONDON SOUTH BANK UNIVERSITY, STUDENT DATA – CONTINUOUS AUDITING

RISK: APPLICATION AND ENROLMENT DATA MAY BE INACCURATE. THIS COULD ALSO RESULT IN FEES NOT BEING CORRECT RESULTING IN STUDENTS BEING OVER OR UNDERCHARGED AND AN ASSOCIATED IMPACT ON INCOME.

Ref	Sig.	Finding
7	🟢	CPD student data is manually entered into Unit4.

Applicant data for CPD courses is captured in a third party system, Wozzad. This is because various application checks are completed by Wozzad and funding is secured from the health trust before LSBU is made aware of the applicant. Unlike the other application systems, web services do not exist to map the data from Wozzad to Unit4. Members of the CPD team therefore manually type the CPD student data into Unit4.

We met with the CPD student administrators to understand how the data entry is controlled for accuracy. In 2018/19 there were 1,428 students who completed CPD courses, in 2019/20 there are 412 so far. The volume of students means it is not feasible for a secondary check of the data entry due to the time it would take. We were informed that to help mitigate the manual entry error, some members of the team copy and paste this data directly from the application form instead. Furthermore, we were informed that any errors could be identified upon enrolment, as the student is presented with their personal details as held in Unit4. No reconciliation between the student data held in Wozzad and Unit4 is completed and it is not clear if this is possible.

The current process of manually entering student data in Unit4 is inefficient.

RECOMMENDATION:

1. The University should consider whether a monthly reconciliation of student data held in Wozzad and Unit4 can be performed to check whether everything has been input into Unit4 from Wozzad.

2. Alternatively, the University could consider reviewing whether web services can be developed to map data from Wozzad to Unit4.

3. We understand that the University is implementing a new student data system and therefore consideration should be made of the requirements of CPD courses when implementing the new system.

MANAGEMENT RESPONSE:

1. A reconciliation process will be investigated. By end of March 2020

2. Significant changes to the CPD contract are planned by HEE as of academic year 20/21. These changes will determine the required process and system changes. A working group will be set up.

3. Agreed.

Responsible Officer:	Colleen Batson, Senior Assistant Registrar (NHS and Internal Reporting)

Page 89

LONDON SOUTH BANK UNIVERSITY, STUDENT DATA – CONTINUOUS AUDITING

Implementation   30 April 2020
Date:

LONDON SOUTH BANK UNIVERSITY, STUDENT DATA – CONTINUOUS AUDITING

OBSERVATIONS

ENROLMENT DATE

The Admissions and Enrolment procedure states 'We set dates for the beginning and end of the enrolment process each year. Applicants who are not enrolled by the relevant deadlines will not be enrolled for that year of study, even if they can subsequently meet the conditions for enrolment." In practice, the process is more flexible. We were informed that the cut-off date for enrolment was the 4 October for 2019/20. However, 582 students were enrolled after this up to the 28 October. This is to maximise students enrolments and therefore the deadline in the Admissions and Enrolment procure will not be invoked. We understand that the deadline is for starting the enrolment process and not completing it. Therefore, this could be made clearer in the procedure.

Management response – agreed that the procedure could be made clearer.

UNTIMELY COURSE CHANGE

The Changing Course procedure states that course changes are to be made within the first two weeks of term. 141 out of 213 course changes processed were processed after this. We were informed that Registry is looking to amend this to four weeks as this timetable is unrealistic.

Management response - This is being amended in the new course change process.

NOTIFICATION OF FUNDER

We identified that the SLC was not notified of course changes in a timely manner in the following instances:

- For one student SLC was notified within one week of the date of the course change being confirmed

- For one student SLC was notified within three weeks of the date of the course change being confirmed

- For four students SLC was notified within four weeks of the date of the course change being confirmed

- For one student SLC was notified within five weeks of the date of the course change being confirmed

- For one student SLC was notified within eight weeks of the date of the course change being confirmed

- For one student SLC was notified after ten weeks of the date of the course change being confirmed

We were informed that course changes have little impact on fees and therefore although SLC needs to be informed, there is no real impact of the delays to notify it. A greater issue would be if SLC was not informed of a student's withdrawal or not informed in a timely manner.

LONDON SOUTH BANK UNIVERSITY, STUDENT DATA – CONTINUOUS AUDITING

MODULE CHOICES

We were unable to obtain supporting paperwork which substantiated the module choices of three students.

We reviewed a sample of 15 students who had re-enrolled, to confirm whether the module options selected could be substantiated. Where students were on courses with only compulsory modules, we confirmed whether these had been assigned appropriately. Where students had optional modules, we confirmed whether evidence of these module choices was obtained from the students prior to the change.

Of our sample of 15, three had optional modules assigned without any supporting evidence that the student had selected these.

There is therefore a risk that students may be assigned modules which they did not choose. Although the student would flag this error it may impact on the student experience.

We would suggest that the Student Administration Operations Manager should review these three cases. The student administrators responsible should be reminded that changes to modules should be supported by evidence.

Management response – Agreed. Tom Marley will review cases and consider actions required.

STAFF LEAVERS

From a sample of six staff leavers since the start of the academic year, it took the Registry team 29 days to remove the access to the Unit4 of one leaver.

Upon further investigation, it was identified that this was due to a high level of enrolment forms that needed to be completed and therefore the leaver was not actioned.

There is a risk that staff may have inappropriate access to Unit4 if removers are not actioned in a timely manner and therefore all leavers should be processes in a timely manner.

Management response - The team has been advised the order of priority that tasks need to be completed in.

LONDON SOUTH BANK UNIVERSITY, STUDENT DATA – CONTINUOUS AUDITING

APPENDIX I – FINDING ONE

The following issues were identified with the SPOC report:

- Each activity is only included once per day, irrespective of how many uses they may have (eg turnstile activity is limited to one count per day irrespective of how many turnstiles are used).

- Not all buildings have turnstiles and you can enter and exit buildings/lectures without using a turnstile and therefore this information provides a partial picture of attendance.

- Attendance data is not set in context against a student's timetable. The attendance recorded may not be for the lecture assigned, nor does it capture whether a student attended multiple lectures on a day or not. For example, a student could tap in to a registration point in any room and it would appear that they attended their lecture.

- Any students who are not fully enrolled will not have a pass and therefore will always be flagged on the SPOC report for not meeting the minimum engagement/attendance thresholds.

- Any students who do not have a pass or have forgotten it are required to complete a manual attendance form. The SPOC report is subsequently updated once these forms have been processed. This is a manual task and appears to be a time consuming task for the Student Engagement Team Leader who processes around 100 forms a week.

- One of the factors to monitor engagement is through the use of Moodle (virtual learning environment). Use of Moodle varies by academic. Some academics may upload all resources for use at the beginning of the course which may be downloaded in one go and therefore Moodle may not be used throughout the year and therefore using this a factor to monitor engagement may not be reasonable.

- Library activity may not be relevant for certain subjects and therefore may using this as a factor to measure engagement may not be reasonable for all students.

- The SPOC report also provides no context to assess whether the engagement is reasonable against the minimum engagement thresholds.

LONDON SOUTH BANK UNIVERSITY, STUDENT DATA – CONTINUOUS AUDITING

APPENDIX II - STAFF INTERVIEWED

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

Colleen Baston	Senior Assistant Registrar (NHS and Internal Reporting)
Alan Butt	Student Engagement Team Leader
Clive Case	Assistant Registrar (Records)
Heather Collins	Apprenticeship Implementation Manager
Tom Marley	Student Administration Operations Manager
Francesca Moultrie	Engagement Manager
Sheila Patel	IT Business Application Support Team Leader
Paul Prendergast	Operations Manager- Registry
Andrew Ratajczak	Head of Fees and Bursaries
Ken Rose	BI & Reporting Team Leader
Kerry Shewan	Student Administration Team Leader
Yousouf Sookhroo	Data Officer
Oscar Stephenson	Apprenticeship Administrator
Lisa Upton	Head of Registry

LONDON SOUTH BANK UNIVERSITY, STUDENT DATA – CONTINUOUS AUDITING

APPENDIX III – DEFINITIONS

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

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

Page 95

LONDON SOUTH BANK UNIVERSITY, STUDENT DATA – CONTINUOUS AUDITING

APPENDIX IV - TERMS OF REFERENCE

PURPOSE OF REVIEW:

The purpose of the audit is to provide assurance over the controls LSBU has in place to manage the quality of student enrolment, apprenticeship enrolment, student attendance and module data.

KEY RISKS:

- Application and enrolment data may be inaccurate. This could also result in fees not being correct resulting in students being over or undercharged and an associated impact on income.

- ESFA requirements are not complied with. This could result in London South Bank University losing funding for apprentices or restrictions being imposed on future apprenticeship programmes.

- Student engagement records are incorrect, undermining the reliability of management information

- Student attendance records are incorrect, undermining the reliability of management information.

- Student course changes are not identified on a timely basis; this could affect fee income as well as student data quality.

- Reporting of changes in circumstances to the SLC are not reported and processed accurately, completely and on a timely basis. This could mean student data is inaccurate.

- Student module data is inaccurate or incomplete, undermining the reliability of data.

- Users have unauthorised access and can make inappropriate amendments to student records which could compromise the validity, accuracy and completeness of student data.

SCOPE OF REVIEW:

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

Enrolment

- Policies and procedures to support the enrolment process
- Roles and responsibilities in the enrolment process
- Pre-enrolment checks of eligibility prior to registration
- Evidence to support enrolment criteria

Page 96

LONDON SOUTH BANK UNIVERSITY, STUDENT DATA – CONTINUOUS AUDITING

Apprenticeships

- Policies and procedures to support the apprenticeship enrolment process
- Associated roles and responsibilities
- Signing of apprenticeship contracts
- Individual learner plans
- BKSB Initial Assessment

Student Engagement

- Processes to capture student engagement
- Compilation of the Student Point of Contact report
- Data quality review

Student Attendance

- Processes to capture student attendance
- Compilation of the student attendance monitoring system
- Data quality review

Course Changes

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

Withdrawals

- Authorisation by the student
- Notification of the Student Loans Company

Module Data

- Roles and responsibilities in relation to module changes
- Permissions and access rights to change module data
- Exception reporting of changes

QLS Access

- Access rights to QLS and associated authorisation process
- Removal of leavers

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

APPROACH:

Our approach will be to conduct interviews to establish the controls in operation for each of our areas of audit work. We will then seek documentary evidence that these controls are

LONDON SOUTH BANK UNIVERSITY, STUDENT DATA – CONTINUOUS AUDITING

designed as described. We will evaluate these controls to identify whether they adequately address the risks.

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

Initially we will review the current control framework established through the previous student data audits to confirm whether it is still in operation and appropriate given changes to processes through the accelerator programme. Assuming a similar control environment is in place to last year, we will conduct the audit as follows.

Enrolment

We will walk through the enrolment process to identify what student records are obtained. We will confirm whether defined enrolment criteria exists and will review the arrangements in place to validate the accuracy of key enrolment data. For a sample of new students we will confirm whether supporting eligibility documents had been provided and verified before the student was enrolled.

Apprenticeships

We will walk through the process to enrol apprentices with the University. We will confirm whether defined enrolment criteria exists and will review the arrangements in place to validate the accuracy of key enrolment data. For a sample of new apprentices enrolled, we will confirm whether supporting eligibility documents had been provided and verified before the student was enrolled. Specifically, we will confirm whether there are apprenticeship contracts in place prior to enrolment, whether the apprentices has individual learning plans, with prior learning information and a calculation of anticipated hours of off-the-job hours or training. We will also confirm whether there are BKSB initial assessment results on file.

Student Engagement

The process for capturing and monitoring student engagement will be reviewed. We will inspect the process of the production of the Student Point of Contact report and confirm whether it is subject to data integrity checks. The process for reporting student engagement data within the University will be examined.

Student Attendance

The process for capturing and monitoring student attendance will be reviewed. We will inspect the process of the production of attendance reports from the Student Attendance Monitoring system (SAM) and confirm whether it is subject to data integrity checks. The process for reporting student attendance data within the University will be examined.

Course Changes

We will walk through the process undertaken by a student to change courses. The process to authorise student course changes and notify wider stakeholders will be reviewed. For a sample of student course changes we will confirm whether appropriate authorisation was provided prior to the course change, whether student course records held in QLS has been updated and whether the Fees and Bursaries team and SLC were informed in a timely manner.

Withdrawals

We will walk through the process undertaken by a student to withdraw from University. The process to authorise student withdrawals and notify wider stakeholders will be reviewed. For a sample of student withdrawals we will confirm whether appropriate authorisation was provided prior to the course change, whether student course records held in QLS has been updated and whether the Fees and Bursaries team and SLC were informed in a timely manner.

Module Data

Page 98

LONDON SOUTH BANK UNIVERSITY, STUDENT DATA – CONTINUOUS AUDITING

The process to change student module data will be reviewed and we will confirm whether defined restrictions exist. We will confirm whether any module changes are subject to approval and review. We will confirm whether processes exist to identify changes to module data through regular exception reporting. For a sample of months we will confirm whether the exceptions reports have been run and whether any changes have been investigated. For a sample of recent changes to module data we will confirm whether authorisation for module changes exists.

QLS Access

We will confirm whether there is a defined authorisation process for new users of the QLS system. For a sample of new users set up in the student record system QLS, we will confirm whether appropriate approval had been sought prior to access being granted. For a sample of leavers we will confirm whether they were removed from QLS in a timely basis.

Page 99

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	CONFIDENTIAL
Paper title:	**Anti-fraud, bribery and corruption report**
Board/Committee:	Group Audit and Risk Committee
Date of meeting:	13 February 2020
Author(s):	Natalie Ferer, Financial Controller
Sponsor(s):	Richard Flatman, Chief Financial Officer
Purpose:	For Information
Recommendation:	The Committee is requested to note the report, which details any instances of fraud, bribery or corruption arising in the period since the Committee last met.

Summary

Since the last report there is one new matter to report.

Theft of Computer equipment

A suspected theft of approximately 10 computers belonging to the University has been reported to the Metropolitan Police. The matter came to light when a bona fide purchaser of the computers in Ghana contacted a helpline in the School of Arts & Creative Industries, where one device seems to have previously been used as a teaching aid. This device and a number of other PCs had been advertised on Gumtree and dispatched to Ghana. An employee of the University has been suspended, pending a disciplinary investigation.

Recommendation:

The Committee is requested to note this report.

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	CONFIDENTIAL
Paper title:	**OfS – regulatory advice on reportable events**
Board/Committee:	Group Audit and Risk Committee
Date of meeting:	13 February 2020
Author(s):	Michael Broadway, Deputy University Secretary
Sponsor(s):	James Stevenson, University Secretary
Purpose:	For Information
Recommendation:	The Committee is requested to discuss.

OfS – regulatory advice on reportable events

At its meeting of 7 November 2019, the Audit Committee was updated on new OfS guidance relating to reportable events, following which the Governance Team were requested to further define parameters for reporting. The attached document sets out materiality for each reportable event.

As previously reported to the committee, under the OfS regulatory framework, a reportable event is:

"…any event of circumstance that, in the judgement of the OfS, materially affects or could materially affect the provider's legal form or business model, and/or its willingness or ability to comply with its conditions of registration…."

It is now clear from the regulatory advice, that:

"Where directed to make a judgement about materiality…or when determining whether to report an event not listed [*in the regulatory framework*], a provider must make its own judgement about whether an event is material and so should be reported…" (RA16, para.12)

The OfS recognises that the materiality of an event may depend on a number of factors, including the size and complexity of a provider.

The OfS expects the provider to make a "reasonable judgement" in relation to reporting.

Types of reportable event
Appendix A (attached) sets out the OfS's list of reportable events (as defined in OfS's Regulatory Framework) and how the group executive intends to identify a potential reportable event and assess its materiality and therefore whether it should be reported. The list of examples is extensive. Materiality will be determined on a case-by-case basis as set out in Appendix A. The group executive will need visibility of relevant matters in order to make a timely determination on whether it is "reportable".

Appendix B is KPMG's current assessment of materiality in the Annual Report and Accounts.

Time limit
The OfS requires that reportable events are reported within 5 days of the date that the event is identified (or if not possible due to circumstances beyond the control of the provider, as soon as reasonably practicable).

Penalty for under- or over-reporting
The OfS considers that providers may under- or over-report events.

If an event is reported that the OfS decides should not have been reported, then it may raise concerns about the provider's management & governance arrangements (condition E2) or approach to accountability (condition E3). Where there is a pattern of over-reporting, the OfS may reconsider the risk of breach of these conditions or take regulatory action against the provider.

If the OfS decides that a provider has not reported an event that should have been reported, it may take further regulatory action in relation to the non-reporting and the substance of the unreported matter.

The OfS has issued separate regulatory advice on their powers of monitoring & intervention (RA15) (separate briefing to follow).

Additional reporting to OfS
Under the conditions of registration, the OfS requires the additional information listed in Appendix C.

Reportable events since the last committee meeting
There have been no events reported to the OfS since the last committee meeting.

Recommendation
The executive is requested to discuss prior to reporting to the Audit Committee.

Appendix A

OfS Regulatory Framework – Reportable events

A reportable event is a situation or event that materially or could materially affect a provider's form or business model and its ability to comply with the OfS conditions of registration. The table contains situations that may give rise to a reportable event.

All reportable events should be reported to the Executive and the Group Audit and Risk Committee.

Reportable events		Action LSBU takes?	Decision maker for action	Responsibility for identifying and reporting internally	How identify reportable events?	Thresholds / other comments
1.	**Change in circumstances** – list is not exhaustive. • Sale of the University or any part of it • Merging with another entity • Acquiring another entity • Material change in business model (i.e. FE to HE) • Change in legal status • Structural changes (i.e. establishment of JV or separating into multiple entities)	Y	Board of Governors	Deputy University Secretary	Standing question on Exec agenda – does any decision on the agenda need to be reported to the OfS?	As defined OR starting point: Materiality for statutory accounts [2% of revenue i.e. c£3.1m] (para 13, RA16)
2.	**Change in ownership** – 50% plus of members own new entity	Y	Board of Governors	Deputy University Secretary	Standing question on Exec agenda – does any decision on the agenda need to be reported to the OfS?	As defined
3.	**Change of control** – where two or more entities or individuals by agreement or practice exercise control over the provider.	Y	Board of Governors	Deputy University Secretary	Standing question on Exec agenda – does any decision on the agenda need to be reported to the OfS?	As defined

4.	Becoming **aware** of **suspected or actual fraud/financial irregularity**	N	N/A	Financial Controller		OfS reporting threshold: report matters above £25,000 [OfS Terms & conditions of funding for HEIs] (Advise Chair of Audit Committee, internal auditors and external auditors)
5.	Becoming aware of **legal** or **court action**	N	N/A	University Solicitor		1) A senior member of staff/Board member is named; 2) the value exceeds the materiality threshold; 3) there is a reputational challenge
6.	**Ceasing to provide higher education**	Y	Board of Governors	Deputy University Secretary	Standing question on Exec agenda – does any decision on the agenda need to be reported to the OfS?	As defined
7.	Subject to a **regulatory investigation or sanction by other regulators** i.e. Charity Commission or Home Office.	N	N/A	University Solicitor		As defined
8.	**Loss of accreditation** by a professional, regulatory or statutory body	N	N/A	Head of Quality		As defined

9.	**New partnerships/termination of partnerships** that include validation or sub contractual arrangements	Y		Head of Quality		As defined
10.	Opening of a **new campus**	Y	Board of Governors	Vice Chancellor	Standing question on Exec agenda – does any decision on the agenda need to be reported to the OfS?	Ex-SE1; international
11.	**Intended closure of:** • **Campus** • **Department** • **Subject** • **Provider**	Y	Campus - Board of Governors Dept – Subject – Dean Provider –	Subject - Head of Quality		As defined [Department = Division] [Subject = JACS code area?]
12.	Any material event where there is a **likelihood of financial viability or sustainability implications** i.e. • Material changes in actual or forecast financial performance • Material change in gearing • Material change in student numbers not included in financial forecasts • where you have a legally binding obligation of financial support underpinning its financial sustainability, a withdrawal of the obligation (including as a result of a change of ownership even when the new owner will offer a similar obligation), or a material adverse change in the counterparty's financial position or other standing that could affect its suitability as counterparty	Y	Board and Exec	Chief Financial Officer	Standing question on Exec agenda – does any decision on the agenda need to be reported to the OfS?	Materiality for statutory accounts [2% of revenue i.e. c£3.1m] (para 13, RA16)

	• sale of significant assets • significant redundancy programmes				
13.	Change in Accountable Officer or Chair of governing body	Y	Board of Governors	University Secretary	Board business	As defined

London South Bank University
Materiality

2.3m
Materiality

Total group revenue

£157.7m*

*figure estimated by audit team

Total University revenue

£145.3m

(2017/18: £144.5m)

Group materiality

£3.1m

2% of revenue

University materiality

£2.9m

2% of revenue

(2017/18: £2.8m, 2% of revenue)

£145k (Group and University)
Misstatements reported to the Audit Committee
(2017/18: £144k)

Group: £2.3m
University: £2.1m

Procedure designed to detect individual errors at this level
(2017/18: £2.1m)

£3.1m
£2.9m

Materiality for the financial statements as a whole
(2017/18: £2.8m)

Our materiality levels

Materiality represents the level at which we think misstatements will reasonably influence users of the University's financial statements. It considers both quantitative and qualitative factors.

To respond to aggregation risk, we design our procedures to detect misstatements at a lower level of materiality. We also adjust this level further downwards for items that may be of specific interest to users for qualitative reasons, such as directors' remuneration and losses and special payments.

We will report:

✓ Corrected audit misstatements

✗ Uncorrected audit misstatements over £145k

Note 1 Errors and omissions in disclosure

(Corrected and uncorrected)

Group materiality vs other metrics

	2018/19	2017/18
Total expenditure	2.0%	2%
Net assets	2.6%	2.6%

Page 109

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Appendix C

Return	Approving body	Date	Responsible officer	Reference
Reportable events	Executive	As required (within 5 days)	Deputy University Secretary; Governance Officer	
TRAC	Cttee of Board	31 Jan	Reporting Analyst (Special Projects)	
TRAC(T)	Cttee of Board	28 Feb	Reporting Analyst (Special Projects)	
Annual accountability return	Executive	Early Dec	Director of Strategy and Planning	
Finance Return	Board	Early Dec	Director of Financial Planning, Reporting and Registry	
Prevent Monitoring	Board	Early Dec	Head of People and Organisation Compliance	
Material adverse events	N/A	As required	Group Financial Controller	Terms and Conditions of Funding (39)
Any merger	Board	As required	Deputy University Secretary; Governance Officer	Terms and Conditions of Funding (40)
Any material changes to	N/A	As required	Director of Financial Planning,	Terms and Conditions

financial performance			Reporting and Registry	of Funding (40)
Financial statements	Board	Early Dec	Group Financial Controller	Terms and Conditions of Funding (71)
Audit Committee annual report	Board	As required	Governance Officer	Terms and Conditions of Funding: Audit Code of Practice (10)
Internal audit annual report	Board	As required	Group Financial Controller	Terms and Conditions of Funding: Audit Code of Practice (15)
External audit annual report	Board	As required	Group Financial Controller	Terms and Conditions of Funding: Audit Code of Practice (21)
Appointment, removal or resignation of internal or external auditors	Board	As required	Group Financial Controller	Terms and Conditions of Funding: Audit Code of Practice (32)

	CONFIDENTIAL
Paper title:	Data Protection report
Board/Committee:	Audit Committee
Date of meeting:	13 February 2020
Author(s):	Hywel Williams, 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 notifiable and non-notifiable data breaches.

Reporting Breaches of personal data

There have been two incidents involving potential breaches of personal data since the last meeting of the Audit Committee.

Suspected theft of computers

A suspected theft of c. 10 LSBU computers came to light when a bona fide purchaser of the computers in Ghana contacted a helpline in the School of Arts and Creative Industries. The computers had been advertised on Gumtree and dispatched to Ghana. One device seems to have been in use by ACI as a teaching aid, what the other devices were used for is not known.

The incident was investigated by the DPO in conjunction with Estates. Consideration was given as to whether any personal data could have been compromised. There was no evidence to indicate that any personal data had been compromised and the decision was made not to notify the Information Commissioner's Office (ICO). On speaking with the purchaser in Ghana, it was confirmed that the ACI device was encrypted and wasn't accessible, and that the other devices had been cleaned before being despatched.

An employee has been suspended, pending disciplinary investigation by LSBU, and the suspected theft has been reported to the Metropolitan Police.

Spreadsheet containing sensitive personal data sent to a student

An email was sent to an unintended recipient (an LSBU student) attaching a spreadsheet containing personal data for 719 additional needs students. The sender became aware of the breach the next day, informed the DPO, and gained confirmation that the breach had been contained.

The decision whether or not to notify the ICO is based on the likelihood of risk to individuals, and a breach of health-related data poses a higher risk. Acting on advice sought from the ICO on a no-names basis, the decision was made to notify the ICO of the breach due to the sensitivity of the personal data and number of affected individuals. In response, the ICO decided to take no further actions in relation to the breach.

Recommendations:

The Committee is requested to note this paper.

	CONFIDENTIAL
Paper title:	Group authorised signatories and contract authorisation process
Board/Committee:	Group Audit and Risk Committee
Date of meeting:	13 February 2020
Author(s):	Nicola Hargreaves, University Solicitor and Head of Legal Services
Sponsor(s):	James Stevenson, University Secretary
Purpose:	For Approval
Recommendation:	The Committee is requested to approve the proposed amendments to the Financial Regulations.

Executive summary

As SBA and SBC are now well established within the group, the regulations for approval and signing of agreements across the whole group (covered in the Financial Regulations) have been reviewed to establish group best practice.

Proposed amendments have been made to the Finance Regulations to take into account;
1.   Contractual commitments for group entities;
2.   Change in signatory titles;
3.   Change to how Deeds can be signed & the use of the Company Seal;
4.   Improvements in how REI submit information to legal for work on contracts (this is already in practice);
5.   Improvement to ensure the designated signatory can sign with authority;
6.   Authorisation to delegate signatory power when dealing with bulk signature requirements.

The substantive proposed changes are around income-generating activity (clause 10), expenditure (clause 12) and contracts (clause 17).

Clause 10 – REI Contracts

One proposed change to Clause 10.2, is to insert the requirement that the GovLegal checklist is used to request negotiation or review of a contract – attached in an appendix. This is proposed to ensure the system works more efficiently, without delay and that the relevant parties (for example regulatory authorities) are notified within

specified time limits. It is in effect helping Legal help everyone involved and is already been in practice for several months and has proved successful.

Clause 12 – Expenditure

A minor amendment has been made to Clause 12.8 to reiterate the point that a Pro19 Form must be signed before a contract is sent to the authorised signatory. This should be done at the moment but in practice it is sometimes overlooked. By making this amendment, it is reminding the relevant parties what needs to be done. This will ensure that the right contracts are signed and that contracts are signed without undue delay. This in turn reduces risk.

The contractual commitments for group entities has also been inserted into Clause 12.6 to ensure control over expenditure.

Clause 17 – Contracts

Clause 17.1 has been amended to reflect the law on Common Seals.

Clause 17.5 has been amended to:

a) List the correct authorised signatories;
b) Allow for bulk signings (1000's of apprenticeship agreements for example) to be delegated (or for electronic signature);
c) To speed up the ability of a contract being signed correctly.

With respect to c), contracts have been sent for signature and have been delayed because the signatory knows nothing about it or the Pro19 is missing. With this amendment, the signatory can see that legal and procurement have approved it, that due diligence has been undertaken and that the Regulations have been followed. At a glance the signatory can check and then sign the contract. This will undoubtedly be beneficial to all involved and cut down on time and on risk.

Appendices

The current GovLegal checklist has been attached. This will help ensure that the instigator of the contract has thought carefully about the contract before submitting it.

Recommendation

The Committee is requested to approve the proposed amendments to the Financial Regulations.

10. Research and Enterprise income-generating activity ("REI")

10.1 Types of activity

Income generating activities, including those that are coordinated via University Enterprise, include:

Research grants
Research
collaborations
Studentships
Regeneration programmes
Research
grants
Research
collaborations
Studentships
  Regeneration Programmes
  Knowledge Exchange
  Letting of Facilities (when requiring
  Student Enterprise
  Events & Conferences (when bespoke)
  Short Courses
  University Accredited Courses
  Consultancy
  Contract Research
  Intellectual Property
  Other Income Generating Activities

10.2 Approval for Research and Enterprise Incoming Generating Contracts

10.2.1   Approval to submit a contract for negotiation or review and contractual authorisation for all research and enterprise income generating activities must be obtained using the HAPLO system, following published guidelines.

10.2.2   If for any reason, the HAPLO system is not being used, the GovLegal Checklist (Appendix G attached) must be completed showing that approval has been given and by whom. This should be sent to the Legal Team together with the draft third party contract and any supporting documentation to enable contract negotiation or review.

10.2.3   In the absence of a draft third party contract, the GovLegal Checklist (showing that approval has been given and by whom) must be submitted to the Legal Team, together with any supporting documentation, in order to request negotiation or review of a contract on University paper.

10.2.4   The Legal Team should not commence contract negotiation or review unless the the requisite approval for that contract negotiation has been given.

10.2.5   **Approval is required before submission of a proposal to a Funder or Client, in addition to final authorisation for contract signature.** The Dean or Director of PSG is responsible for ensuring timely compliance of all their staff.

10.2.6   The proposal cost and claim/price is developed by REI staff, Finance BSMs and academics working together as appropriate. All costs relating to the proposed project must be identified, regardless of whether or not it is anticipated they are recoverable from the Funder or client. Formal approval of the cost is the responsibility of the Finance Department.

10.2.7   When considering whether to approve a proposal, the return to the University versus both full Economic Cost and the direct cost of undertaking the project should be considered alongside other non-financial value for the University.

1

10.2.8 The Finance Department shall maintain all financial records relating to research grants and contracts and shall initiate all claims for reimbursement from sponsoring bodies by the due date.

10.2.9 Where services or supplies need to be bought as part of a research agreement or grant, they must be procured in line with these regulations and procurement support must be requested if this is required in the research grant terms and conditions. Insurance must also be fully costed from the outset of any research project bid or contractual commitment.

10.2.10 Procurement and internal legal advice must be sought at the earliest opportunity to ensure that obligations are clear between all parties.

10.2.11 The table below sets out the delegation of authority for final contractual authorisation

Total contract value (including VAT)	SBUEL	LSBU
Over £2m	SBUEL Board	Vice Chancellor and Group Chief Financial Officer
Over £1m and up to £2m	Deputy Vice Chancellor & Chief Business Officer PVC Research and External Engagement	Deputy Vice Chancellor & Chief Business Officer PVC (Research and External Engagement)
below £1m	Chief Executive Officer	Director of Research, Enterprise and

10.2.12 Contracts for Ccommercial sales should normally be signed by either the Deputy Vice Chancellor & Chief Business Officer PVC (Research and External Engagement) or University Group Secretary and always in line with section 17.4 of these Financial Regulations.

10.35   South Bank University Enterprises Ltd

All activities that are commercial in nature and carried out with the intention of making a profit should be handled through the University's trading company SBUEL. VAT must be charged on all standard rated activities carried out by SBUEL.

2

12   Expenditure

12.1   **Scope**

These regulations apply to all expenditure, including spending of grant monies and leasing arrangements, but exclude expenditure processed through the payroll which is covered in the section on pay expenditure

12.2   **Purpose**

The purpose of these regulations is to:

- Ensure that the University's expenditure represents Value For Money and Ccompliesy with European and UK legislation and statutory requirements;
- Manage and minimise risks, including commercial protection in all contractual arrangements and mitigation against fraud and corruption.

12.3   **Order of Events**

When reviewing and committing expenditure, the following order of events must be followed:

- Procurement engagement
- Review the need and value for money
- Advance authorisations and budget control
- Supplier selection
- Contract award
- Contract management and Procure to Pay

12.4   **Procurement Engagement**

12.4.1 Procurement Services are to be contacted from the outset to agree the level of professional Procurement input required and the procurement sourcing strategy.

12.4.2 Professional Procurement input will be determined following consideration of the potential impact on strategic objectives, value for money opportunities, and legislative risk.

12.4.3 Discrete requirements with a total contract value over the contract term of less than £50,000 may be able to follow Procurement guidance, rather than require direct engagement with Procurement Services. Refer to the Supplier Selection section for further details.

12.4.3   Any potential conflict of interest which a member of staff making or influencing a procurement may have with a supplier, must be notified to Procurement as soon as the conflict is known. All staff involved in a Procurement process are required to complete a Declaration of Interest form, at the start of their involvement.

12.4.5 Procurement must be involved from the outset on any procurements involving personal data, irrespective of value. Procurement will work with LSBU's Data Protection and Information Compliance Officer to ensure LSBU's GDPRapplicable data protection legislation obligations are met. LSBU has obligations to consider data protection by design wherever personal data is processed, which may include mandatory data protection impact assessments. Procurement or the Data Protection and Information Compliance Officer will advise.

12.4.6 Procurement will advise on how to engage the market on contracts over £50,000 during the tender planning phase, to ensure that there is no inadvertent market distortion or legislative risk created. A challenge on a high value contract, could result in a significant financial impact to the University. Procurement advice must be sought before any contact with suppliers is made.

12.5 Review the need and value for money

12.5.1 Value for money is not about cuts. It is about making sure that the University's resources are used in the right way to generate outcomes that align with the University's corporate objectives, and that any expenditure or time spent on an activity is appropriate to the outcome.

12.5.2 Value for money is defined by the OFS as effectiveness, economy, and efficiency. LSBU's working definition is:

- Effectiveness – Doing the right thing (the extent to which corporate objectives are met);
- Economy – At the right price (appropriately minimising the cost of an activity);
- Efficiency – The right way (performing tasks well)

12.5.3 Value for money is the combination of all three aspects. Disproportionate emphasis on one of the three aspects, could impact on overall value for money.

12.5.4 The University requires all budget holders to ensure that all commitments to supplies, services and works represent value for money. Budget holders must assess the need, and review how value for money can be optimised by working with Procurement and other relevant stakeholders across the University from the outset.

12.5.5 Value for money is the over-riding principle on procurement, ordering and tendering. The University requires all budget holders to obtain supplies, services and works at the most economically advantageous cost, consistent with quality, delivery requirements, whole life cost and always in accordance with sound business practice.

12.5.6 It is in contravention of the Financial Regulations to procure from suppliers for reasons other than value for money, as defined above. Procurement decisions need to be justified and 'audit trail' records must therefore be completed.

12.6 Advance authorisations and budget control

12.6.1 Investment Appraisal Process and

Business Cases

12.6.1.1 Budget holders must ensure that planned expenditure is within their allocated budget referred to in the Financial Management and Control sections of these regulations. In certain circumstances, authorisations must be obtained before engaging with the supply market.

12.6.1.2 The University's Investment Appraisal Process must be followed, and a business case needs to be submitted for approval if:

- the requirement relates to a new change initiative;
- the requirement incorporates aspects of capital expenditure;
- the expenditure will exceed the existing allocated department or school budget;
- the contract relates to revenue expenditure that is in budget and exceeds £2million over the contract term.

12.6.1.3 The Investment Appraisal process also applies to all activities with a significant impact on current business activities or activities with significant resource requirements.

12.6.1.4 Where the value of the bid is no more than £250k, a short business case can be submitted. The Finance department will maintain guidance on the investment approval process.

4

12.6.1.5   Authorisation for all expenditure must be sought in accordance with approval limits set out in the Authorised Expenditure Limits section below. Procurement Services must be consulted to support the completion of Procurement and Insurance related content of any proposed Business Case involving expenditure or potential insurance liability.

12.6.2 **Total Contract Value / Expenditure**

12.6.2.1   The total contract value will determine the authorization routes and levels of competition to follow.

12.6.2.2   The total contract value refers to the value of the contract over its full contract term, including any potential extensions. It does not refer to the annual contract value. If items are bought on a rolling contract basis, the estimated per annum value should be multiplied by 4 to determine the estimated total contract value.

12.6.2.3   Where the total expenditure or contract value cannot be determined, usage and values should be estimated to determine the total value. Where more than one area of the University is likely to use the contract, University-wide demand should be used to calculate the total contract value.

12.6.2.4   Where there is a need for a single requirement that can be divided into a number of stages, or a number of similar or identical requirements, the total value must be used when assessing the application of these regulations. Contracts must not be disaggregated and split into separate contracts with smaller values to avoid having to comply with the authorization and competition routes detailed in these regulations.

12.6.2.5   Where a Purchase Order constitutes the formal contract, in place of a formally signed contract, then the requirements within these regulations for contracts apply to the Purchase Order value.

12.6.3 **Authorised Expenditure Levels**

Authorisation for all expenditure must be sought in accordance with the value threshold requirements below. Thresholds relate to the value over the total contract term including any potential extensions – not to per annum values.

Total Contract Value (Including VAT)	Capit		Revenue	
	Planned	**Unplanned**	**Within Budget**	**Outside Budget**
Over £5 million	Board of Governors			
Over £2m and up to £5m	Major projects and Investment Committee	Board of Governors	Major Project and Investment Committee	Board of Governors
Over £1 million and up	Executive	Board of Governors	Delegated Levels of Authority	Board of Governors
Over £500,000 and up to	Executive	Major Projects and Investment Committee	Delegated Levels of Authority	Major Projects and Investment Committee

5

up to £500,000	Vice Chancellor and Group Chief Financial Officer	Vice Chancellor and Group Chief Financial Officer VC and CFO	Delegated Levels of Authority	Vice Chancellor and Group Chief Financial Officer VC and CFO

Unplanned capital projects should be very rare. The Major Projects and Investment Committee will review masterplans and the majority of capital expenditure will be planned. Expenditure proposals should be submitted to the lowest level of authorisation first, being escalated up through the approval hierarchy on the table above following each approval stage.

* Requirement still remains to deliver against agreed budget
Capital and Revenue budgets are as defined in the department
and school budgeting process.

12.6.4 Approval Documents and Delegation

Board of Governor, Major Projects and Investment Committee or Executive approval is to be sought through submission of a Strategic Outline Business Case at initial project stages prior to tendering. When approving, the Board of Governors, Major Projects and Investments Committee, and Executive shall specify any future delegations that may apply during the remaining stages of the competitive procurement process, to enable timely contract awards within the approved Business Case parameters.

12.6.5 Delegated Budget Authority

12.6.5.1   Holders of letters of delegated authority are responsible for the approval of expenditure within the budget set out in their letter of delegated authority subject to the limits stated in table 2. Holders of letters of delegated authority are responsible for agreeing with the Group Financial Controller a scheme of delegation within their departments. Where authority has been formally delegated to Heads of Department ("HoD'S") and other staff, these staff will be responsible for the approval of expenditure within their departmental budget up to the limit set out in the appendix to their letter of delegated authority. Changes to agreed authorization levels must be recorded on the Authorised Signatory list, and maintained by the Group Financial Controller.

12.6.5.2   These arrangements are also to be applied to employees of subsidiary companies who are given delegated authority in respect of budgets.

12.6.6 Contractual Commitments by Group Entities

12.6.6.1   Under the Governance Agreements between the University and South Bank Colleges/South Bank academy, consent is required for any expenditure above £100,000. Transactions in group companies must follow their financial regulations but University consent must be given before contracts can be executed.

12.6.6.2   University's consent to the transaction of expenditure must follow the levels of authority shown above in section 12.6.3.

12.6.6.3   For SBUEL, the Statement of Governance sets out when consent of the University is required.

12.7 Supplier selection

12.7.1 Use of existing and Mandatory Contract Arrangements

6

12.7.1.1   The University has a number of contracts that must be used for specified services, supplies or works. A list of mandatory contracts can be found on the Procurement   intranet.

12.7.1.2   Where approved contracts are available, these must be used for all purchases. These contracts cover a wide range of goods and services and have been selected through a competitive process. These contracts should be used by either directly calling off from the existing contract, or where a framework agreement is in place with multiple suppliers, through requesting quotes from the specified list of suppliers in that category. Call-off methods are detailed for each mandatory contract and are listed on the Procurement intranet~~web pages~~.

12.7.1.3   The University has a number of expenditure categories where specific Professional Service Groups lead and manage any orders that need to be made. The relevant Professional Service Group must be used to advise and process expenditure in these areas. Mandatory usage of departments by category is listed on the Procurement intranet~~web pages~~, together with any related policies that apply to that area of spend.

<u>Competition and Audit Trail Requirements:</u>

Total Contract Value (Including VAT)	Level of Competition Required	Supporting 'Audit Trail' Documents Required
Over £50,000	Competitive Tender *	Business Case Approval Form (where Board/Exec approval required) + Full Evaluation Matrix Or Single Quotation/Tender Form** + Authority to Award Report
Over £10,000 and up to £50,000	3 Competitive Proposals	Competitive Quotes Form Or Single Quotation/Tender Form**
Up to and including £10,000	Department's Discretion ***	None

Procurements exceeding £50,000 over the total contract term must be discussed with Procurement Services at the beginning of the planning stage, to agree the procurement strategy and route and professional Procurement input required. Procurement will instruct on minimum tenderer numbers, EU compliance requirements and use of e-tendering.

**

1. Where there is extreme urgency (which has occurred for reasons which were unforeseeable and are beyond the control of LSBU)
2. Where there is only one supplier capable of providing the relevant goods, works or services due to technical, artistic or copyright reasons.
3. Where incompatibility or disproportionate technical difficulties apply.
4. Where no tenders, no suitable tenders, no requests to participate or no suitable requests to participate have been submitted in response to an open procedure or a restricted procedure.

*** *Heads of Dept/school will have the discretion to decide whether or not to obtain quotations, however value for money must always be obtained. It is advised that at least one written quotation is obtained for items with a value of £10,000 or under.*

12.7.2 Threshold Application for Framework Agreements

12.7.2.1   For some categories, the University puts in place overarching framework agreements, which are 'umbrella agreements' with either one or several suppliers, Framework agreements set out the terms, mainly relating to scope of service/supply, price, quality and potential quantity, under which individual contracts (call-offs) can be made. The University becomes committed to expenditure when a call off is made, and a discreet contract is entered into.

12.7.2.2   Framework agreements are to be authorised according to the approval levels in Table 2, based on expenditure levels estimated over the term of the framework. Subsequent call offs are also subject to the approval requirements indicated in Table 2, with Executive approval replacing any Board of Governor approval requirement indicated.

~~External Funding with Specific Procurement Requirements~~

12.7.3 External Funding with Specific Procurement or Insurance Requirements

12.7.3.1   Where the University is receiving external funding (for example from OFS) towards the purchase of goods or services there may be specific procurement or insurance requirements which must be followed (for example the limit for carrying out competitive tenders may be lower). These may differ from the procedures set out within the Financial Regulations.

12.7.3.2   If these requirements are not adhered to, the University may not receive the funding or LSBU may be exposed to risk. In order to ensure that these procurement and insurance requirements are fully understood and adhered to, Procurement Services must be consulted before purchasing any goods of services for which the University is receiving external funding with specific procurement requirements.

12.7.3.3   Capital grants allocated by external organizations, must be spent solely for the purposes specified. The Finance Department shall maintain records of expenditure of grants in the form required by the funding body.

12.7.4 Most Economically Advantageous Approach

The best value tender or quote shall be accepted (following appropriate valuation of price and quality criteria). Approval by the Head of Procurement shall be required in all cases when award is not recommended to the most economically advantageous tender /quote.

12.7.5 E-Tendering

The University's e-tender system must be used to run competitive tenders, unless otherwise agreed with Procurement Services.

12.7.6 Terms and Conditions

8

12.7.6.1   Appropriate terms must be clearly established at the outset of all competitive procurements. Procurement Services must be consulted in all instances where the University's standard terms and conditions are not used, in advance of committing the University.

12.7.6.2   The Contracts (Rights of Third Pparties) Act 1999 came into force on 11 May 2000. It applies to all contracts made on or after this date in England, Wales and Northern Ireland. The Act gives third parties named in contracts, or expressed to benefit from them, the right to sue under those contracts. The majority of contracts entered into by the University will exclude this right as far as possible. This exclusion is incorporated into the University's standard contract documentation. Where, in a particular case, the parties to a contract are considering conferring a benefit on one or more third parties, advice must be sought from the University Group Secretary/Procurement Services as to the implications of any such arrangement, before entering into negotiations with any of the other parties that may be involved in the proposed contractual arrangements.

12.8   Contract Documentation and Award

12.8.1   Contract Documentation
Every contract issued by the University shall use the appropriate standard contract documentation. Copies of all standard contract documentation are available from Procurement Services. The advice of Procurement Services or from the Legal Team should be sought if any amendments are required to the standard documentation.

12.8.2   Contract Award Authorisation

Current legislation requires the University to be transparent and publish details of certain contract awards. Procurement Services will ensure that these legal requirements are met. Procurement Services must be notified of all procurement contracts requiring formal signature (requiring signature either by hand or electronic). Procurement Services will coordinate the necessary contract authorisations in accordance with these regulations. All contract documentation must be approved by the Head of Procurement Services. A Pro19 form should be completed and signed to demonstrate that approval. Once that is completed the prior to contract can be sent to the Authorised Signatory for signature by the specified signatures in section 'Contracts' (see Clause 17 of these Regulations).

12.9   Contract Management and Procure to Pay

12.9.1   Contract Management

   12.9.1.1   Holders of letters of delegated authority must ensure that all expenditure contracts within their budget area have a contract owner responsible for monitoring performance through regular meetings with the contractor. Reports of any discrepancy or failure must be completed.

   12.9.1.2   Procurement Services advice should be sought in order to assist in the management of poor contract performance and emerging risks. Comprehensive contract management guidance is available on LSBU's staff intranet, including managing specific areas of high risk such as contracts involving personal data.

   12.9.1.3   Procurement Services must be notified of all procurement contract, variation, extensions and terminations in advance of any commitments being made on behalf do the University. Procurement Services will then coordinate the necessary authorisations and publications in line with these regulations, legislation and Procurement procedure.

12.9.2   University Procurement Cards

   12.9.2.1   University Procurement Cards are to be used for low value, high volume transactions and separate guidelines applicable to these cards must be followed. Requirements detailed within these regulations to use approved contracts and to follow competition requirements apply to Procurement Card orders. Purchasing cards cannot be used:;

      • for personal purchases;

9

- by anyone other than the person to whom the card was issued
- to withdraw cash unless the cardholder is specifically authorized to do so;
- for purchases involving the processing of personal data.

12.9.2.2   The misuse or non-compliance of the Procurement Card procedures will result in the card being withdrawn and in certain cases may result in disciplinary action being taken. Detailed procedures for the use of purchasing card are contained in the Purchasing card guide.

12.9.3 New Suppliers

Where a supplier is new to the University, a New Supplier Form must be completed. Procurement Services and Finance may review the level of risk relating to suppliers at supplier set up stage and on an ongoing basis, and alternative procurement solutions may be required.

12.9.4 Purchase requisitions and Purchase Orders

12.9.4.1   Purchase requisitions, and subsequent official University orders must be placed to commit all expenditure, with the exception of supplies listed in appendix to this document, or when paid for via a University Procurement Card.

12.9.4.2   There must be adequate segregation of duties in place, as specified in the Procurement procedures and guidance, in particular requisitions must be raised and authorised by different individuals where staff make a commitment on behalf of the University. The University operates an electronic requisition system and the authorisation hierarchy within the system must be maintained in such a way that requisitions have to be raised and authorised by different individuals. Authorisation of requisitions must be within a budget holder's delegated budget authority

12.9.4.3   In addition to budget holder approval, each requisition may be subject to Procurement Services approval to ensure that requisitions, and related procurement exercises, comply with procurement and tendering policy. Procurement Services are to determine which Purchase Orders require their approval, following approval by budget holders and other supporting authorisations as required the 'Advance Authorisations and Budget' section.

12.9.4.4   Purchase Orders fulfil the role of acceptance of a supplier's offer and bind a contract on the University's terms and conditions. The University's standard terms and conditions are automatically applied to University orders. Where a contract already exists, contract terms must be specified by requisitioners on requisitions, to ensure that they take precedence.

12.10 **Estate Specific Expenditure**

12.10.1 In addition to the above regulations, there are specific requirements regarding expenditure on the University estate.

12.10.2   **Estates Strategy**

12.10.2.1   The Estates Department should only carry out work approved as part of the Estates Strategy, and that approved by Executive in order to maintain existing estate through planned and reactive maintenance and project works.

12.10.2.2   The Board of Governors shall approve an Estates Strategy and consider amendments to it where updating is required at regular intervals. The strategy shall take account of:

a) The quantity, quality, configuration and legal interests in the current estate;

b) Planned student numbers and course provision and teaching methods;

c) Consequential anticipated growth in staff numbers, both academic and non-academic;

d) The efficiency of management of existing accommodation and space utilization.

12.10.2.3   The financial implications, with investment appraisals where appropriate, in consultation with the

10

Group ~~Chief~~ Chief Financial Officer.

12.10.2.4   All recommendations to the Board of Governors for property acquisitions and disposals shall be supported by surveyor's report as laid down in the Charities Act 1993.

12.10.2.5   All proposed building projects shall be considered by the Executive and they should meet the overall objectives of the Estates strategy and approved financial limits.

12.10.3   EU Directives

12.10.3.1   Higher Education Institutions (HEI's) are currently required by law to comply with the EU Directives if they intend to let a contract (or series of contracts) above or equal to the thresholds for goods, services or works contracts prescribed by EU Directives.

12.10.3.2   Estates & Facilities is responsible for consulting with Procurement Services at the planning stage of any works or project to ensure that EU Directive and UK statutory procurement obligations will be met.

12.10.4   Progress and Completion Reports

12.10.4.1   The Director of Estates & Facilities shall make regular reports to the Vice Chancellor on the progress of building projects with an estimated cost of over £50,000, indicating:

- Expenditure to date against budget;
- Remaining expenditure;
- Emerging problems;
- Changes to risk profile

12.10.4.2   Reports shall be made to meetings of the Property Committee on the progress of all projects approved by the Board of Governors.

12.10.4.3   The Director of Estates shall conduct a formal post completion review after all major capital projects to identify strengths and weaknesses and to feed these into the procedure for managing future projects.

12.10.5   Procedures for disposals of Exchequer Funded Assets

Disposal of items purchased from specific external research grant or similar sponsored activity shall only be made within the rules and with the approval, if required, of the sponsoring body. Disposal of land and buildings must only take place with the authorisation of the Council or Finance and Resources Committee, in accordance with the Financial Authority Limits. OFS consent may also be required if exchequer funds were involved in the acquisition of the asset.

Supplier invoices

12.11.1.   Receipt of invoices

All supplier invoices should be sent by the supplier to the Finance Department. On receipt, invoices should be registered on the finance system.

12.11.2   Approval of invoice

12.11.2.1   Invoices that relate to goods or services for which a purchase requisition was raised are known as 'committed' invoices. Committed invoices will quote a purchase order number. Invoices that relate to goods and services for which no purchase requisition was raised are known as 'uncommitted' invoices. Uncommitted invoices will not contain a purchase order number.

12.11.2.2   Committed invoices should be receipted on the finance system by the person who raised the original requisition as evidence that the invoice has been checked, the goods or service has been received and the department wishes the supplier to be paid. Where an invoice exceeds the original purchase order, the invoice will be referred forward to the budget holder to approve payment of the invoice.

11

12.11.2.3   Uncommitted invoices should be approved only by the relevant budget holder in line with levels of delegated authority. If the invoice exceeds the budget holder's delegated authority. This is because the approval of an uncommitted invoice is giving authority for a budget to be spent. In the case of committed invoices, this authority has already been given by the raising and approval of a purchase requisition.

12.11.2.4   For both committed and uncommitted invoices, receipting or invoice approval confirms that:

a)   Goods or services have been received or undertaken in accordance with specification and are satisfactory;
b)   The prices or charges are in accordance with the contract or order;
c)   The invoice is arithmetically accurate and VAT has been applied at the correct rate;12.11.3
        Payment of invoices

Once approved, Finance Staff should arrange payment within the University's Standard tTerms of bBusiness or any bespoke terms of business agreed with particular suppliers.

12.12 Authorised signatory list and authorisation hierarchy

The Authorised signatory list is kept and maintained by the Group Financial Controller. It is the responsibility of the School or Professional Service Group to ensure that an up to date set of authorised signatory sheets are given to the Group Financial Controller. The University's electronic Procurement to Pay system is set up with hierarchies for the raising and approval of requisition and approval of non-committed invoices and it is Tthe Group Financial Controller who has responsibility for ensuing electronic authorisations are in line with the authorised signatory list.

12.13 Fixed Asset Register

The Group Chief Financial Officer shall:

(a)   Ensure there is a central register of all items of capital expenditure with a purchase value of £10,000 or over including VAT within the finance system Agresso.

Deans and Heads of Professional Service Groups shall:

Ensure the safekeeping of all equipment held in the school or Professional Service Group;

Ensure that the equipment is marked as the property of London South Bank University.

Report all losses of equipment through theft or damage on the prescribed forms to the Director of Estates & Facilities with copies to the Vice Chancellor and Group Chief Financial Officer

12.14   Equipment Removal

12.14.1   Land and Buildings may only be disposed of with the authorization of the Board of Governors on the recommendation of the Finance, Planning and Resources Committee.

12.14.2   Equipment, vehicles, fixtures and fittings shall not be removed from the University without the written approval of the Dean or Head of Professional Service Group. In all such cases, the Group Chief Financial Officer shall be informed at least two working days in advance so that, appropriate insurance arrangements can be made.

12.14.3   Schools and Professional Service Groups shall notify the appropriate Professional Service Group of any item of standard equipment or other goods which are no longer required, who shall advise if the item can be redeployed elsewhere in the University.

12.14.4   Where an item cannot be redeployed, Deans or Heads of Professional Service Groups shall make arrangements to dispose of obsolete items. The Dean or Head of Professional Service Group is responsible for disposing of the item in a way that maximizes the proceeds and value for money to the University. This includes obtaining valuations where appropriate and quotes for costs of disposal. In exceptional circumstances, the Group Chief Financial Officer may authorize the item to be

12

donated or offered at reduced cost to students, other educational establishments, charities or local community groups.

12.14.5   The school or Professional Service Group shall advise the Group Chief Financial Officer of any proposed disposal of equipment or other goods so that, if appropriate, she or he may arrange for an invoice to be raised for payment to be obtained by the University and for accounting entries to be made in the University Accounts.

17.   Binding the University~~Contracts~~

17.1   Deeds ~~Signature under Seal~~

17.1.1   Some documents, such as a Deed, may require the Common Seal to be used when the document is signed. A Deed may be validly executed, without the Seal, if it is signed on behalf the University:

a)   by two authorised signatories (as below); or
b)   by a Governor (normally the Vice Chancellor) in the presence of a witness who attests the signature.

~~SThe Common Seal shall only be used on the authority of the Board of Governors. Every instrument to which the seal shall be affixed shall be signed by a Governor and shall be countersigned by either the University Secretary & Clerk to the Board, a second governor or by some other person appointed by the Board of Governors for that purpose - see below. A register shall be maintained and the use of the Common Seal reported to the Board of Governors.~~

17.1.2   ~~Other p~~Persons who have been authorised by the Board of Governors to execute deeds under Seal are:

o   Vice Chancellor
o   Provost
o   Group Secretary~~Deputy Vice Chancellor~~
o   Any Deputy Vice Chancellor ~~Pro Vice Chancellor Students and Education and Pro Vice Chancellor Research and Engagement~~
o   Group Chief Financial Officer
o   Any Pro Vice Chancellor
o   Chief Customer Officer

17.1.3   In rare circumstances (e.g. international documents) it may be necessary to use the Common Seal as authorised by the Board of Governors. Use of the Seal will be recorded in the Register of Sealings.

17.2   Signature of Employment Contracts

The signatories authorised by the Board of Governors to sign contracts of employment are as in the section on contracts below plus the ~~Executive~~ Director of People and Organisational Development or their deputy (or roles of equivalent seniority). ~~and HR Deputy Head of Human Resources.~~

17.3   Signature on Non-Disclosure Agreements (NDA) and Memorandum of Understandings (MoU)

17.3.1   Authority to only sign a standard NDA or MoU in addition to the University's standard contractual authorities to be delegated to:
- Director International;
- Deans;
- Director Research, Enterprise and Innovation.

17.3.2   Any alterations to the standard NDA or MoU or a request for signature of a client's own NDA or MoU must be referred to the Legal team.

17.3.3   The standard signatory of REI MoU's remains Deputy Vice Chancellor & Chief Business Officer. ~~PVC (Research and External Engagement)~~.

17.4   Placement contracts

Deans are able to sign contracts for student placements.

17.5   Signature of Other Contracts

17.5.1   The following persons ("Authorised Signatory") are authorised to sign other contracts on behalf of the University**:**

- o   Vice Chancellor
- o   Provost~~Deputy Vice Chancellor~~
- o   Any Deputy Vice Chancellor ~~Pro Vice Chancellor Students and Education and Pro Vice Chancellor Research and Engagement~~
- o   Group Chief Financial Officer
- o   Any Pro Vice Chancellor
- o   Chief Customer Officer
- o   ~~University~~ Group Secretary ~~and Clerk to the Board of Governors~~
- o   Head of Procurement (£50,000 and under)

17.5.2   In exceptional circumstances, where bulk standard form contracts require signature, it might not be practicable to have an Authorised Signatory sign a contract. In this instance the Authorised Signatory may delegate their power to an Alternative Signatory by issuing a Letter of Delegation of Authority or may authorise the use of their e-signature.

17.5.3   Procurement Services must, under Clause 12 above, be notified of all contracts ~~transitions~~ (award, extensions, material variations, ~~terminations~~and terminations) in advance of any commitments being made on behalf of the University. Procurement Services will then coordinate the necessary authorisations and publications in line with regulations, legislation and Procurement procedure.

17.5.4   All contract documentation must be approved by the Legal Team prior to contract signature. In order for a contract to be approved by the Legal Team, the GovLegal checklist must be completed demonstrating that appropriate due diligence and these Financial Regulations have been followed.

17.5.5   The transaction sponsor must provide the following to the Authorised Signature:

a)   Completed GovLegal Checklist;
b)   Signed Pro19; and
c)   The contract

17.5.6   The contract should not, in any circumstances, be signed unless this procedure has been followed.

14

17.6   **Disclosure of Beneficial Interest**

A member of staff who has a beneficial financial or any other interest, whether direct or indirect, in any contract between the University and a third party shall disclose that interest to the Head of School/Professional Service Group and to the Group Chief Financial Officer. A record of the interest will be entered in the Register of Interests held by the Group Secretary.

17.7   **Content of Contracts**

17.7.1   Every contract issued by the University shall use the appropriate standard contract documentation. Copies of all standard contract documentation are available from Procurement Services. The advice of a Procurement Services Manager should be sought if any amendments are required to the standard documentation.

17.72   The Contracts (Rights of Third Pparties) Act 1999 came into force on 11 May 2000. It applies to all contracts made on or after this date in England, Wales and Northern Ireland. The Act gives third parties named in contracts, or expressed to benefit from them, the right to sue under those contracts. The majority of contracts entered into by the University will exclude this right as far as possible. This exclusion is incorporated into the University's standard contract documentation. Where, in a particular case, the parties to a contract are considering conferring a benefit on one or more third parties, advice must be sought from the University Group Secretary/Procurement Services Manager as to the implications of any such arrangement, before entering into negotiations with any of the other parties that may be involved in the proposed contractual arrangements.

17.7.3   All contract documentation relating to external expenditure must be approved, via a Pro19 form, by the Procurement Services Manager prior to signature by any authorized signatory.

17.8   **Copies of Contracts**

The University Group Secretary shall hold:

(a)   Copies of all contracts with a value of over £50,000;
(b)   All titles, deeds and lease agreements.

17.9   **Contract Performance**

17.9.1   Holders of letters of delegated authority must ensure that all expenditure contracts within their budget area have a contract owner responsible for monitoring performance through regular meetings with the contractor. Reports of any discrepancy or failure must be completed.

17.9.2   Procurement Services advice should be sought in order to assist in the management of poor contract performance and emerging risks. Contracts involving processing of personal data must follow the required contract management processes detailed in Procurement guidance and adhere to the University's Data Protection Policy.

Govlegal Checklist

Dear colleagues,

LSBU legal team depends on you to help us provide the most effective service possible. The Finance Regulations require us all to ensure we are following the correct procedure to get a contract completed. Please therefore complete the checklist below providing us with all of the background information that the legal team need to start work. Unfortunately, we will not be able to start work on your contract until we receive a completed checklist. The questions in bold are important but any supporting information that you can provide will help you get a quicker turnaround of contract.

The more information you provide to us now, the quicker the legal team can help you.

If you are sending us external documents, please check them for content and facts first. Legal will review and approve the legal terms of the contract. You are responsible for the review and approval of the commercial terms. Commercial terms include, but are not limited to, the goods or services to be purchased or provided, payment terms and contract duration.

Section A
Background:

Item No,	Required info	Details
1.	**Date of Request**	
2.	**Type of request** (please delete as appropriate)	Contract review / Contract preparation / General advice
3.	**Is approval required[1] for this matter and has it been obtained? (E.g. a business case by the Executive; Finance; Dean: HR; International)**	Y/N If yes, who has approved it?
4.	**Type of contract / advice** (please circle)	New / Variation / Renewal / Termination
5.	**Contract start date**	
6.	**Contract end date**	
7.	**What is the total value of the contract for the full term (£)?**	
8.	**Short description of the deal**	

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[1] Please check Clause 10 of the Financial Regulations with respect to approval and authority.

16

Our Details

9.	**Party to the contract** (please check with Finance team for guidance)	LSBU / SBUEL
10.	**Name(s) of LSBU academics/students/other staff named in the contract and their role** (provide details / state N/A)	Name: Role: N/A?
11.	**Details of person and business unit (Dept. / School) making the request**	Name: Title: Business unit: Direct line: Email:
12.	**Details of REI team member assisting on this contract** (if relevant)	Name: Title: Direct line: Email:

Their Details

13.	**Name of the other party** (provide full name of the party to the contract)	
14.	**Registered charity** (if any) **or company number of the other party**	
15.	**Contact details of the other party**	Name: Address: Direct line: Email:
16.	**Contact details of the other party's legal team** (if different from above)	
17.	**Have relevant background checks been carried out on the other party for example solvency or credit checks)?** (please delete as appropriate)	Yes / No / Don't know If yes, please provide details.

Content of the Contract

18.	**What is LSBU / SBUEL's main objective or desired outcome**	
19.	**Has LSBU / SBUEL contracted with the other party before?** (please delete as appropriate) Yes / No / Don't know If yes, please provide details.	
20.	**If a draft has been provided, please state where the contract has come from**	Provided by the other side/ Other (please explain)
21.	**What is LSBU / SBUEL's role and main obligations under the contract?** (Explanatory note: have you agreed to any payments (amounts and timing), provision of deliverables or services (types and timing), product warranties, provision of security or performance guarantees, access to its premises by the other side, or other key commercial obligations.)	
22.	**What are the other party's main obligations under the contract?** (Explanatory note: *Consider whether the other party has agreed to any payments (amounts and timing), provision of deliverables or services (types and timing), product warranties, provision of security or performance guarantees, access to its premises by*	

	[LSBU / SBUEL] or other key commercial obligations.)	
23.	**Will there be any personal data involved?** (e.g. names, contact details, delegate, staff or student information, and human participants in research etc.) (*Explanatory note: consider whether there is any personal data involved in the project, what type of personal data will be used (incl. sensitive data), whether DP Threshold Assessment / DP Impact Assessment have been conducted or will be conducted*) For assistance speak to LSBU's DPO at dpa@lsbu.ac.uk	
24.	**Please add any additional information that may help the legal team** (such as specific risks that you are concerned about, relative bargaining power, strategic importance to [LSBU / SBUEL], time pressures, any unusual or onerous obligations, renewal or extension arrangements, or an unlimited liability cap)	
25.	**Please tick or insert an 'X' to confirm the following statements:**	__All relevant documents referenced in the form and/or in the attached contract for review are attached in Word, Excel or Pdf format. __All supporting documents that may be helpful for the legal team to see are attached in Word or Pdf format. __ No additional oral promises have been made by other party that are not captured in this form and/or the attached contract.
26.	**Genuine timescales as to when you need the**	

	legal team to prepare the documents by	

Please get in touch with us at the initial stages of your project. The earlier, the better. We shall do our best to meet any deadlines however, we cannot guarantee this. If you have an urgent request (for example within 3 working days), please speak to the team by phone. Please send all correspondence to govlegal@lsbu.ac.uk, and cc the relevant Legal Officers if you know who they are. Not all of the legal officers have access to the Govlegal Inbox.

Once the document has been finalised by the legal team, and it is ready for signature, please complete the relevant Pro19 Form for signature of contract and send it to Govlegal.

We thank you for your help with this.
LSBU Legal Team

Paper title:	Committee business plan, 2019/20
Board/Committee	Group Audit and Risk Committee
Date of meeting:	13 February 2020
Author:	Kerry Johnson, Governance Officer
Board 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		

Finance and Management Information (FMI) structure and leadership team				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			
Corporate Risk	x	x	x[1]	x
Risk strategy and appetite	x			
Going concern statement		x		
TRAC return to OfS - (by email in Jan)				
TRAC(T) return to OfS (by email in Feb)				x
Value for money report, annual				x
Modern slavery act statement		x		
Prevent annual return		x		
OfS reportable events	x	x	x	x
Quality assurance report		x		

[1] *Please see Matters Arising*

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