

Minutes of a Meeting of the Audit Committee
held at 4pm on Thursday, 25 September 2014
in room 1B27, Technopark, London Road, London, SE1

Present

Andrew Owen	Chairman
Steve Balmont	
Douglas Denham St Pinnock	
Mee Ling Ng	

External Auditors

David Barnes	Grant Thornton
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Internal Auditors

Justin Martin	PricewaterhouseCoopers
David Wildey	PricewaterhouseCoopers

Apologies

Shachi Patel	Independent co-opted member
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In attendance

Prof David Phoenix	Vice Chancellor and Chief Executive
Natalie Ferer	Financial Controller
Richard Flatman	Chief Financial Officer
Amir Rashid	Programme Director (<i>for minutes 1-7</i>)
James Stevenson	University Secretary and Clerk to the Board of Governors
Michael Broadway	Governance Manager

Welcome and apologies

1. Apologies had been received from Shachi Patel.

Declarations of Interest

2. Steve Balmont declared an interest on the agenda item on procuring an independent helpline for speak up matters (minute 20 refers). Mr Balmont declared that one of the providers listed in the paper (Safecall) was a subsidiary company of his employer. The committee agreed that he should not take part in the decision to appoint the selected provider.

Minutes of the last meeting

3. The minutes of the meeting held on 12 June 2014 were approved (paper **AC.13(14)**). The minutes were approved for publication subject to the proposed redactions.

Matters arising

4. There were no matters arising from the previous minutes which were not elsewhere on the agenda.

Change programme reporting

5. The committee discussed in detail an update on reporting of the change programme to the Board and its committees (paper **AC.34(14)**). It was proposed that: a) the Board will review overall progress of the change programme and its impact on the day to day running of the University; b) the audit committee will review the risks and issues of the change programme; and c) projects have been grouped by theme and the relevant committee of the Board will review a highlight report of these themes. Any projects rated red would be reviewed in detail by the relevant committee.
6. The committee noted that the change programme had been reviewed by PwC, the internal auditors and the report would come to the next committee meeting.
7. The committee requested further detail on each project in future reports.

Amir Rashid left the meeting

Internal audit progress report

8. The committee noted the internal audit progress report (paper **AC.35(14)**).

Quarter 4 continuous auditing report

9. The committee noted the quarter 4 continuous auditing report (paper **AC.36(14)**). All aspects of the control environment were rated green with no exceptions.

Continuous Auditing of Student Data terms of reference

10. The committee approved the proposed terms of reference for the continuous auditing of student data (paper **AC.37(14)**). The continuous auditing of student data would focus on key risks around application and enrolment data; UK Visa and Immigration requirements; student attendance monitoring; student module data; student course changes; and the security of student records.

Internal Audit report – Risk Management

11. The committee noted the internal audit report on risk management (paper **AC.38(14)**), which had been given a low risk rating. Risk appetite would be discussed at the next meeting.

Internal Audit draft annual report

12. The committee noted the draft internal audit annual report, 2013/14 (paper **AC.39(14)**). The final report would be considered by the committee at their meeting of 30 October 2014. The draft annual internal audit opinion for 2013/14 is that LSBU has adequate and effective arrangements to address the risk that management's objectives are not achieved in respect of risk management, control and governance, and value for money processes.
13. The rotation of internal audit leads was discussed.

Risk Register

14. The committee noted the corporate risk register (paper **AC.40(14)**), which was now aligned to the recently approved corporate strategy, 2015-2020. The committee noted that tendering for the NHS contract had been extended by 12 months. The position of Dean of the School of Health and Social Care would be advertised in October 2014.

Effectiveness of Internal Controls

15. The committee noted the review of the effectiveness of internal controls and approved the full compliance statement for inclusion in the annual report (paper **AC.41(14)**).

Debt write-off

16. The committee approved the proposed write off of £280,000 in tuition fee debtors and £114,000 of non-tuition fee sales ledger debtors (paper **AC.42(14)**). These amounts had been provided for in the accounts so there would be no financial impact in the accounts for 2013/14.

Pensions Assumptions

17. The committee approved the assumptions used for the FRS17 report (paper **AC.43(14)**). Benchmarking analysis from Grant Thornton would be provided for the next meeting.

Confucius Institute

18. The committee noted an update on the visa status of cultural exchange associates at the Confucius Institute (paper **AC.44(14)**). It was reported that following review of existing Confucius Institute staff's visas and Hanban sponsorship status, the current arrangements are not in breach of UK Visa and Immigration requirements.

Anti-fraud, bribery and corruption report

19. The committee noted the anti-fraud, bribery and corruption report (paper **AC.45(14)**). One matter was reported relating to possible misuse of a purchasing card by an employee which was being dealt with under the University's disciplinary procedure.

Speak up report

20. The committee noted the speak up report (paper **AC.46(14)**). There had been two speak up matters raised since the previous meeting. The committee was satisfied that due process had been followed by management in both cases.

Speak up review

21. The committee discussed a proposal to provide an independent helpline for staff and students to raise speak up issues (paper **AC.47(14)**). The Executive proposed to run a mini-tender to appoint a company to provide an independent helpline for staff. The committee agreed with the approach and requested an update on the tender process.

Audit Code of Practice

22. The committee noted the revised Audit Code of Practice which formed part of the new Memorandum of Assurance and Accountability between HEFCE and universities (paper **AC.48(14)**).

University Academy of Engineering/University Technical College Assurance

23. The committee discussed the relationship between LSBU and its sponsored academies (paper **AC.49(14)**). The committee noted that the relationship would be governed by a Memorandum of Understanding (MoU) between LSBU and each academy it sponsored. The MoU included requirements for the academy trust to operate in accordance with its objects and funding agreements; a description of the extent of support that LSBU would be offering; requirements for the academy trust to maintain proper financial records and to make information available to LSBU on request.
24. The MoU would be reviewed by the Board for approval at its meeting of 9 October 2014.

Terms of Reference

25. The committee noted its terms of reference (paper **AC.50(14)**).

Committee business plan

26. The committee noted its business plan for the year (paper **AC.51(14)**).
27. The committee agreed that its regular self-assessment would take place every two years. It would review its effectiveness again in 2015.

Matters to report to the Board

28. The committee requested that a summary of the following items is reported to the Board meeting of 9 October 2014: continuous auditing terms of reference, change programme and the academies.

Any other business

29. The committee noted that a HESES audit would be undertaken soon.

London South Bank
University

Date of next meeting

30. It was noted that the next meeting would be at 4pm on Thursday, 30 October 2014.

The Chairman closed the meeting.

Confirmed as a true record:

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Chairman