

**AUDIT COMMITTEE
 AGENDA
 Thursday 29th May 2014 at 10am (Room 115)**

I	Minutes	
	To approve: minutes of the meeting held on 6 th February 2014	[Attached]
II	Action Points	[Oral Updates]
III	Matters Arising/Matters for Report MIN23(iii) Annual plan of work – agree future deep dive reviews MIN25 Deep Dive – Report of SRS audit of student engagement data MIN31 Student attendance – discussion of pastoral support at GB informal meeting	[Oral Updates] [Appendix A]
IV	Deep Dive Review: Business Continuity To note	[Appendix B]
V	Risk Register To consider	[Appendix C]
VI	External Audit To approve: Audit Planning Report	[Appendix D]
VII	Internal Audit To receive: Staff Performance Review	[Appendix E]
VIII	Internal Audit To note: Estates Strategy Review	[Appendix F]
IX	Internal Audit To note: Core Financial Reviews	[Appendix G]
X	Internal Audit To note: Quarterly Update	[Appendix H] To follow

SOAS, University of London**AUDIT COMMITTEE****Thursday 29th May 2014****CONFIDENTIAL MINUTES**

Members: Steve Tinton (Chair)
Charles Ilako
Rosna Mortuza
Andrew Popham

In attendance: Graeme Appleby (Acting Registrar)
Barry Douglas (Acting Director of Finance & Planning)
Luke Holt (BDO)
Chris Ince (Acting Secretary, Secretary to Audit Committee)
Julia Rank (KPMG – Internal Auditors)
Neil Thomas (KPMG – Internal Auditors)
Sophie Venton (BDO)
Paul Webley (Director)
Martin Whiteside (For Minute 38)

Apologies: James Aston (BDO – External Auditors)

35. Minutes

The minutes of the meeting on 6th February 2014 were **approved**.

36. Action Points [Appendix A]

The Committee **noted** that the actions had been completed or were presented on the agenda. The Committee **noted** the circulated report on the audit of Tier 4 student attendance, as Appendix A.

37. Matters arising/matters for report

There were no matters for report.

38. Deep Dive Review: UKBA – Business Continuity [Appendix B]

The Acting Secretary and the Assistant Director of LIS (Information Systems) **reported** on the School's plans for management of an incident and any subsequent business continuity activity. The School had developed new procedures, with the assistance of external consultants, and conducted two tabletop exercises over the last two academic years. In addition to this the School had experienced a number of real-life tests including a major power failure, leading to the closure of the main building, and business interruption due to industrial action and demonstrations.

The School had put a significant effort into improving its IT infrastructure and was taking further steps over the summer as part of its IT capital expenditure to further increase the resilience in this area and improve the Wi-Fi provision. The School's e-mail functionality was provided by Google so was highly resilient but did have some concerns with data protection.

The School had a number of IT security measures in place and was looking at testing these with an external specialist. They would also be reviewed as part of the current internal audit cycle.

The Committee **noted** that another area of concern for the School was ensuring resilience across functional areas. Due to the size of the organisation this was harder than in a large institution but deputising and cover arrangements had worked well in recent situations and the School also worked closely with the other Bloomsbury Colleges.

39. Risk Register (Appendix C)

The Acting Secretary **reported** on the updated version of the School's risk register. This had been revised in light of comments at the last meeting as well as discussions at Executive Board. The main change was a new risk around the failure to take advantage of strategic opportunities. However, the Executive Board would be holding a risk workshop later in the term to review in more detail the whole register, the order of the risks, a greater emphasis on active short & long term actions and the assessment of risk ratings.

The Committee **noted** that the register showed a snapshot of the current situation and the changes in the external environment meant the register was always changing. Governing Body needed assurance via its work or that of its committees that each risk was being adequately managed. One area that needed further expansion within the register was the School's estate and Estates Strategy.

The Committee **noted** that the equality implications of the actions were assessed by each committee when considering decisions and action plans. These would be reviewed by the School's Diversity Adviser and included in future annual equality and diversity reports.

40. External Audit – Audit Planning Report (Appendix D)

BDO **reported** on the external audit plan for the 2013/14 audit and the key risks that would be examined. Heritage assets would be included on the balance sheet going forward and a decision would be taken with the School on the treatment of the LMEI in the accounts.

The Committee **discussed** the requirement to convert the School's accounts to US GAAP. This was required every three years due to the level of US loans that the School received and had been done once previously. These accounts were required to provide assurance on the financial viability of the institution to receive funding and were not a regulatory return. A paper would be presented to the Committee when the process was complete.

The Committee **noted** that BDO would be able to put in place dual partners or an independent partner review if this was felt necessary during the planned tender for external audit services.

41. Internal Audit – Staff Performance Review (Appendix E)

KPMG **reported** on the audit of the School's staff development review process, which was not directly linked to pay and performance. This was a common position for the majority of staff in the sector as it was part of the national pay framework agreed with the Trades Unions. The process was therefore about development and it would be very difficult to change this approach.

The data showed that the number of signed forms returned centrally was decreasing and the system needed revitalising. It was likely that a greater number of staff than that reported did complete the process but it was down to the individual to return the form to the Staff Development team rather than the manager. The overall data also included a significant number of part-time fractional staff, who were less likely to complete the process.

The Committee **noted** that a significant change in the process and staff accountability would require a cultural change on the part of many staff, in particular those in academic departments. This was an important issue for the School and was something the full Governing Body might wish to discuss at one of its informal meetings.

42. Internal Audit – Estates Strategy Review (Appendix F)

KMPG **reported** that the School's Estates Strategy needed revision as it predated the work on the Senate House North Block and had been focused on dealing with a backlog of long-term maintenance issues. A new Strategy was in development and was anticipated to be finalised by early 2015. The audit had found that the Senate House Project was being well governed and managed but there were some decisions that needed clearer documentation.

43. Internal Audit – Core Financial Reviews (Appendix G)

The Committee **noted** the report on the core financial systems, which had received a substantial assurance rating.

44. Internal Audit – Quarterly Update (Appendix H)

The Committee **noted** the update on the implementation of management responses to previous audits. There were some recommendations that were being addressed but were taking longer than initially agreed or were linked to other actions. It was important that all management responses included realistic timescales for any actions.

45. Date of next meeting:

The Committee **noted** the next meeting would take place on 2nd October 2014 at 10am.

AUDIT COMMITTEE: Action Points

Minute	Item	Action 2013/14	Deadline for report to AC	By
25	Deep dive – UKBA	Report on Attendance Monitoring and Enrolment projects	2/10/14	CI
31	Student attendance	Inclusion of discussion of pastoral support at informal GB meeting	28/5/15	CI
40	External Audit	Paper on US GAAP accounts	5/2/15	GA/BDO
41	Staff Development audit	GB discussion of SDR process and staff accountability as option for informal meeting	November 2014	CI