

**AUDIT COMMITTEE
 AGENDA
 Thursday 6th November 2014 at 3pm (Room 115)**

I	Minutes To approve: minutes of the meeting held on 2 nd October 2014	[Attached]
II	Action Points	[Oral Updates]
III	Matters Arising/Matters for Report	[Oral Updates]
IV	Risk Register Update To note	[Appendix A] Annexes A-D
V	External Audit To receive: External Audit Executive report of the External Auditors for Recommendation to Governing Body	[Appendix B]
VI	Financial Statements To approve for recommendation to Governing Body: a paper from the Acting Director of Finance & Planning	[Appendix C]
VII	Annual Report To note: The draft Annual Report that accompanies the financial statements	[Appendix D]
VIII	Audit Committee Annual Report To approve: The draft Audit Committee Annual Report to Governing Body	[Appendix E]
IX	Value for Money Report To approve	[Appendix F]

These minutes are for information only. Any corrections to the minutes will be recorded in the minutes of the subsequent meeting of the committee.

SOAS, University of London

AUDIT COMMITTEE

Thursday 6th November 2014

Members: Steve Tinton (Chair)
Charles Ilako
Andrew Popham

In attendance: Graeme Appleby (Director of Finance & Planning)
James Aston (BDO – External Auditors)
Chris Ince (Secretary to Audit Committee)
Paul Webley (Director)

Apologies: Rosna Mortuza
Laura Gibbs (Registrar)
Neil Thomas (KPMG – Internal Auditors)

16. Minutes

The minutes of the meeting on 2nd October 2014 were **approved** as an accurate record subject to the removal of an erroneous “The Committee agreed” in the second paragraph of Minute 10.

17. Action Points

The Committee **noted** that all those due for report had been completed, or were on the agenda for the meeting.

18. Matters arising/matters for report

There were no other matters for report.

19. Risk Register Update (Appendix A)

The Secretary **reported** on the formal update of the Risk Register for the first term. The risk register had been discussed in detail, along with the supporting sub-registers, by the Executive Board. The major risks were highlighted in the register and it showed these both before and after proposed actions. The paper proposed a new format for the Register that improved the presentation and made it a simpler task for staff to update risks and related actions. The Committee **endorsed** the new format for future updates and then **discussed** the content in more detail.

The Committee **noted** that the actions listed needed to provide it with assurance that they would deliver the improvement in risk rating that was shown. Although the information

represented a static snapshot it could still be forward looking and it was possible that for some of the risks the timeframe for the actions would need to be reviewed to cover a longer period.

The Committee **agreed** that the change log was a useful mechanism for showing any change in the risk over time but the format for how this was presented should be changed to better reflect this approach.

It was **agreed** that the next review of the Register by the Executive Board would consider the overall risk profile and that all reasonable actions were reflected and took a proactive approach to the management of risk. The risk on Value for Money would be considered for incorporation in to another risk as this was now well managed

20. Executive report of the External Auditors for Recommendation to Governing Body (Appendix B)

The External Auditors **reported** that there were a small number of matters outstanding but it was anticipated these would all be complete in advance of the Governing Body meeting on 27 November. Overall the External Auditors had no issues to raise in the representation letter and the accounts were well prepared and discussions with the School had been straightforward.

The Committee **discussed** the significant areas of risk that had been reviewed by BDO as part of the external audit; the teaching grant, revenue recognition, management override and the School as a going concern. The Committee **agreed** that a note would be included in the Financial Statements to reflect in the adjustment to the 2012/13 teaching grant. The External Auditors were satisfied with the School as a going concern but the Committee **agreed** that the Honorary Treasurer would be asked to comment on this in respect of the Financial Forecasts and cash flow at the Governing Body meeting.

The report contained four recommendations, which was not unreasonable for the size of the institution. Although one of these was high priority, relating to how credit card data was recorded, it was easily addressed. Management action had already been taken to correct the problem and the Finance team would be delivering further training in this area to supplement the School's existing training on information compliance.

The Committee **noted** the treatment of heritage assets and that the School had a number of places these were recorded rather than in a single central register. The treatment of these and how they were reflected in the Financial Statements would be reviewed for the final version.

The Committee **noted** that it would discuss at the May meeting how the accounting of the USS pension deficit might need to be dealt with in the future.

21. SOAS draft Financial Statements (Appendix C)

The Committee **noted** a number of minor changes to the Financial Statements including the need for an executive summary at the start of the Operating & Financial Review and a list of the School's key risks. It **agreed** to recommend the Financial Statements to Governing Body and that the covering paper would draw members' attention to the statement of responsibilities.

The Committee **noted** the Financial Statements reflected the benefits in kind provided to the Students' Union and agreed that it should be asked to include them in its accounts.

22. SOAS draft Annual Report (Appendix D)

The Committee **noted** the draft copy of the Annual Report. The document summarised the work of the School for the 2013/14 academic year and provided context for the Financial Statements.

23. Audit Committee Annual Report (Appendix E)

The Committee **approved** its Annual Report for submission to Governing Body, subject to a number of minor changes.

24. Value for Money Report (Appendix F)

The Committee **approved** the Value for Money Report for inclusion as an annex to its Annual Report.

25. Date of next meeting:

The Committee **noted** the next meeting would take place on 5th February 2015.

AUDIT COMMITTEE: Action Points

Minute	Item	Action 2014/15	Deadline for report to AC	By
10	Internal audit – governance	Deep dive review of performance indicators	Oct 15	CI
10	Internal audit – governance	Review of progress against recommendations	28/5/15	KPMG
14	HEFCE review of KIS data	Inclusion of recommendations in tracker	5/2/15	KPMG
19	Risk Register	Change in presentation of changelong	5/2/15	CI
19	Risk Register	Review of overall risk actions and possible removal of VfM risk	5/2/15	CI
20	External Audit	Review of heritage asset treatment in Financial Statements	27/11/14	GA / BDO
20	External Audit	Note in Financial Statements on adjustment to 2012/13 teaching grant	27/11/14	GA
20	External Audit	Honorary Treasurer to comment on School as a going concern	27/11/14	CI / GD
20	External Audit	Discussion on accounting treatment of USS deficit	28/5/15	GA
21	Financial Statements	Benefit in kind to be reflected in SU accounts	27/11/14	CI