

**AUDIT COMMITTEE
AGENDA**

Thursday 5th November 2015 at 10am (Room 115)

I	Minutes To approve: minutes of the meeting held on 1st October 2015	[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 the Board of Trustees	[Appendix B]
VI	DRAFT Financial Statements To approve for recommendation to the Board of Trustees : a paper from the Director of Finance & Planning	[Appendix C]
VII	Audit Committee Annual Report (2015-16) To approve: The draft Audit Committee Annual Report to the Board of Trustees	[Appendix D]
VIII	Value for Money Report To approve	[Appendix E]

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 5th November 2015

MINUTES

Members: Steve Tinton (Chair)
Andrew Popham

In attendance: Graeme Appleby (Director of Finance & Planning)
Richard Lucus (Senior Financial Accountant)
James Aston (BDO – External Auditors)
Jodie Lusby (KPMG – Internal Auditors)

Apologies: Chris Ince (Secretary to Audit Committee)
Valerie Amos (Director of SOAS)
Laura Gibbs (Registrar)
Rosna Mortuza

13. Minutes

The Committee **noted** that Minute 8 'Internal Audit – 2015/16 Audit Plan' should refer to the Competition & Markets Authority for the HE Sector. Subject to this amendment, the minutes of the meeting on 1st October were **approved**.

14. Action Points

(i) MIN 4 - Committee Terms of Reference

Cross membership between the Committee and the Resources & Planning Committee had been raised at the Nominations Committee and it would consider the matter in due course.

(ii) MIN 8 - Internal Audit Plan

The action would be rolled forward. It was **noted** that there needed to be greater communication of the role of internal audit and a pilot was scheduled to be held with a department within the School.

15. Matters arising/matters for report

There were no matters arising.

16. Risk Register Update (Appendix A)

The Risk Register updated was **noted**. There followed a discussion on how to make the risk management reports more relevant and usable. The current format, while technically the generally accepted format was perceived by some as too bureaucratic. There were too many projects to be monitored effectively by Audit Committee and it was important to focus on a smaller number of projects that really mattered. Three main points were raised:

1. The summary grid of risks demonstrated SOAS is exposed to a high level of risk. Most individual components have high likelihoods of occurrence with significant impact. The overall picture emphasised the serious situation of SOAS now and in the future. The Audit Committee would look to the results of the sustainability review to address these risks and to provide a clear path to a sustainable future.
2. The institutional risk register needed to be revamped. The Secretary to present a new report at the next Audit Committee meeting after discussion with the Registrar and Director of Finance & Planning. This would show clearly the linkages between identified risks, the drivers of those risks, the actions being taken and the associated measurement/monitoring via KPIs. A traffic light system should be explored for risks and their drivers. It was also recommended that the column relating to 'existing controls' should be replaced with '*additional* controls implemented to mitigate risk'.
3. Management need to consider how the current 'engagement' issues with staff should be reflected in the risk registers and summary heat map.

17. External Audit (Appendix B)

The Audit Committee **received** the External Audit report from BDO and considered the key points. The Management Letter point on page 18 regarding the recording of international business trips was discussed. The Director of Finance & Planning indicated that to keep track of staff on overseas business trips the School had been investigating the use of the TravelCert mobile app developed by the School's brokers AJ Gallagher for members of the London HE insurance consortium.

BDO indicated the audit had gone very smoothly and commented favourably on the quality of the accounts and support provided.

The Director of Finance & Planning was asked to report back on:

1. Policies and procedures for complying with any overseas government regulations relating to SOAS staff working outside of the UK.
2. How SOAS has remedied potential data security breaches in relation to student credit cards.

18. Draft Financial Statements (Appendix C)

Audit Committee members gave feedback on the circulated draft financial statements. It was agreed that the unadjusted error on page 22 of the External Audit report (Appendix B) relating to the recognition of income from the University of London should be adjusted via a prior year adjustment.

It was agreed to move Heritage Asset disclosure from note 10 Tangible Fixed Assets to note 17 Deferred Capital Grants.

For the Financial Overview it was suggested that greater emphasis and clarity be given to the future financial challenges without being alarmist.

19. Audit Committee Annual Report (Appendix D)

It was agreed to remove the first paragraph of page 3 from the report. It was also clarified that on page 6, VfM, the Financial Memorandum should refer to the Memorandum of Assurance and Accountability between HEFCE and Institutions. Subject to these amendments, the Audit Committee Annual Report was **approved**.

20. Value for Money Report (Appendix E)

It was noted that the VfM report was a factual and comprehensive document that met HEFCE's reporting requirements and the report was duly **approved**. However, it was also noted that if the report was to be useful for internal reporting purposes consideration needed to be given to including impact assessments and prioritisation.

21. Date of next meeting:

The Committee **noted** the next meeting would take place on 4th February 2016

AUDIT COMMITTEE: Action Points

Minute	Item	Action 2014/15	Deadline for report to AC	By
1 October 2015				
5	Deep Dive – KPIs	Discussion at BoT with a view to a revised set of KPIs post sustainability work	4/2/16	GA
8	Internal audit plan	Wider communication of plan within the School	4/2/16	CI
10	Safety Audit	Report and management actions to be considered by Board of Trustees	22/4/16	CI
5 November 2015				
16	Risk Register Update	A new Risk Register format to be prepared, showing clearly the linkages between identified risks, the drivers of those risks, the actions being taken and the associated measurement/monitoring via KPIs. A traffic light system should be explored for risks and their drivers.	26/5/16	CI
17	External Audit	Policies and procedures for complying with any overseas government regulations relating to SOAS staff working outside of the UK.	4/2/16	GA
17	External Audit	Provide further information on how SOAS has remedied potential data security breaches in relation to student credit cards.	4/2/16	GA