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SOAS, University of London

AUDIT COMMITTEE

Friday 10th November 2017 at 9.00am (Room 115, SOAS)

MINUTES

Members:	Mr Steve Tinton (Chair)
	Ms Rosna Mortuza
	Mr Andrew Popham
Apologies:	Mr Geoffrey Robertson
In attendance:	Baroness Valerie Amos (Director)
	Mr Graeme Appleby (Deputy COO, Resources & Planning)
	Mr Richard Lucus (Senior Financial Accountant)
	Dr Chris Ince (Director of Governance & Legal Services)
	Mr James Aston (BDO – External Auditors)
	Mr Neil Thomas (KPMG – Internal Auditors)
	Mr Arran Rose (KPMG – Internal Auditors)
	Miss Sally Priddle (Governance and Risk Officer)

Minutes AC 17/18 2 A

The Committee **agreed** that nothing on the agenda was expected to present a conflict of interest for the Chair, in his role as Chair of the Estates & IT Governance Development Board

The Committee **approved** the minutes of the meeting held on 21st September 2017.

Action Points AC 17/18 2 B

It was **agreed** that risk register actions would also be included on and monitored through the action tracker.

    (i)   AC 16/17 3 G Prevent analysis

The information to complete this action would be part of institutional returns to HEFCE at the end of November. Therefore, the action would be revisited at the February meeting.

    (ii)   AC 17/18 1 C Deep Dive

The Committee **agreed** that the two topics for this year's deep dives would be the collation and use of management information and the students' journey and how this linked to the role of the Deputy Chief Operating Officer (Student and Academic Experience).

Workplace planning and retention; technology and ICT and budgetary reports were agreed to be potential future topics for deep dive reviews.

The Committee requested ongoing updates on how the new academic departments are settling down.

(iv)   AC 17/18 1 G IT breach comms plan

The Registrar & Secretary (COO) had sent apologies to the Committee. In her absence, the Director of Governance & Legal Services outlined that the report and proposals aligned with agreed management structures.

The Committee **agreed** that there was limited contingency plan detail within the report however, it was reassured this information sat within other university policies.

It was **agreed** that the report should include a reference to the existing data protection breach policy and further work was required to cross reference university policies.

Audit Committee **noted** the report.

Matters Arising/Matters to Report   **AC 17/18 2 C**

None were raised.

External Audit   **AC 17/18 2 D**

Within this agenda item, any matters relating to the estate or IT were chaired by Andrew Popham to ensure no conflict of interest with current chair's role as Chair of the Estates & IT Governance Development Board.

The External Audit partner introduced the report and set out the key issues. There had been a change in standards on audit opinions and this was reflected in the section on going concern and a wider review of the data provided by the School. There were some minor housekeeping points to complete but there were no major audit differences to report.

All recommendations from the auditors were supported by the Committee and the management responses were noted. The two points raised covered payroll reconciliation and related party transactions.

It was **confirmed** that endowment funds could not be used to support ongoing costs of the university. This was appropriately reflected in the Financial Statements.

The committee asked for assurance on the future benefit of investment in the Phillips building and that plans did not raise concerns for the audit. BDO outlined that if the plans are unchanged merely delayed then there are no concerns. It was **confirmed** that plans for the Phillips Building had been deferred and future building changes would not fundamentally affect the design or function of the building. This meant the costs could be capitalised as the usage would remain as an academic and teaching building.

It was **agreed** that an explanation for the changes in pension liability and the potential related risk needed to be included in the report.

The Committee **approved** the External Audit Report and Management Representation Letter for presentation to the Board of Trustees.

Draft Financial Statements   **AC 17/18 2 E**

The committee discussed the need for consistency of language and messages in communications and whether the current report format would result in additional challenge from students and staff as it presented an overall surplus due to the various accounting changes. Both internal and external auditors recommended that the financial statements current format was not amended. However, the accompanying narrative would be critical to explain the challenging financial position the School was in. The committee asked management to consider the representation of unrestricted and restructured funds in the Statements as a way of addressing this issue.

It was **agreed** that revisions were required to the financial outlook and Chairman's statement.

With a number of minor amendments, the Committee **approved** the report for presentation to the Board of Trustees. A final version would be presented to the Board of Trustees for approval at its meeting on 27 November.

The Committee thanked the finance department for the report, outlining that the format was clear and enabled effective challenge.

Internal Audit: Data Quality & Assurance   **AC 17/18 2 F**
KPMG presented the internal audit report on data quality and assurance. This gave a red/amber rating with 5 medium ad 2 low priority recommendations. Management had accepted the recommendations and suitable responses had been provided.

The Committee questioned the percentage of new staff who had not undertaken the information compliance training. It was explained that training for information compliance and equality and diversity training was in place however enforcing mandatory training would have to be discussed with the Trades Unions.

The plans for disseminating GDPR information and procedures were discussed.

As previously discussed, it was **agreed** that information received by management and how it is utilised should be a future deep dive topic.

Internal Audit: Annual Report 2016/17　　　　　　　　　　**AC 17/18 2 G**

KPMG presented the annual report for 2016/17 and tabled the progress tracker on previous recommendations.

It was **agreed** that additional assurance for IT systems would be provided once the new CIO was in post and this would also be the key driver to address the outstanding recommendations.

The Committee **approved** the Internal Audit Report for 2016/17 for presentation to the Board of Trustees.

Internal Audit: Plan for 2017/18　　　　　　　　　　　　**AC 17/18 2 H**

KPMG presented the Internal Audit Plan for 2017/18, which had been discussed with management.

The Committee discussed the benefit of looking at how academic quality is measured and used to inform continuous improvement. It was **agreed** that this would not be an effective audit topic until the substantive staffing structures were in place. It was **agreed** it would be added to the potential topic list for next academic year.

The Committee **agreed** that the three core audits would be financial, data quality (in distance learning) and charity obligations. The two additional audit topics would be GDPR and student welfare services. There would also be an audit of UKVI compliance for Tier 4 students, using days carried over from 2016/17.

The Committee **agreed** that they would like an audit of student welfare services within the Students' Union as part of the periodic review of the Students' Union. This would allow it to be considered alongside the audit of the School's provision to identify ways to develop a sense of togetherness between the two parties. It was **agreed** that this intention would be shared with the Students' Union to gain its agreement.

The Committee **approved** the Internal Audit Report for 2017/18 for presentation to the Board of Trustees.

Draft Audit Committee Annual Report 2016/17　　　　　　**AC 17/18 2 I**

It was **agreed** that additional information from the internal and external audit reports would be included in the Audit Committee Annual Report.

The Committee **approved** minor revisions to the Terms of Reference and a number of other areas in the Report, for recommendation to the Board of Trustees.

The Committee **approved** that the Audit Committee Annual Report.

Value for Money Report for 2016/17　　　　　　　　　　**AC 17/18 2 J**

The Committee **noted** the report.

Risk Register   **AC 17/18 2 K**

The Committee **agreed** that the risk register should link to departmental operational plans.

The Committee **agreed** that the Trustees' list of potential risks needed to be reviewed and categorised to ensure effective monitoring. One lens to consider the risks would be those that were immediate in nature and those for consideration over the longer term.

Rosna Mortuza left the meeting

Annual Provider Statement – QA Overview   **AC 17/18 2 L**

The Committee **approved** that the Annual Provider Statement for presentation to the Board of Trustees.

US Accounting Standards - Plan   **AC 17/18 2 M**

The Committee **approved** the report.

Corporate Governance Statement   **AC 17/18 2 N**

The Committee **noted** the report, which was part of the Financial Statements.

SOAS and the Public Benefit   **AC 17/18 2 O**

The Committee **noted** the report, which was part of the Financial Statements.

Minute	Action Detail	By	Person
6 October 2016			
AC 16/17 1 F **Internal Audit Report: Library Services**	The timescales for taking action would be 12 months from the submission of the response to the report and the recommendations timescales would be updated accordingly.	February 2018	KPMG/ Head of Library
9 February 2017			
Prevent: Risk Analysis AC 16/17 3 G	Prevent duty: Run a review on whether there were controls in place and that they were working in each instance	February 2018	KPMG
9 November 2017			
Deep Dive AC 17/18 1 C	Use of management information and students' journey and how this linked to the role of the Deputy Chief Operating Officer (Student and Academic Experience).	February 2017	CI/SP

Deep Dive AC 17/18 1 C	Workplace planning and retention; technology and ICT and budgetary reports were agreed to be future topics for deep dive reviews.	September 2018	CI/SP
Deep Dive AC 17/18 1 C	Update Committee on how departments are settling down.	February 2017	VA
AC 17/18 1 G IT breach comms plan	Develop plan to cross reference University policies	February 2017	CI/SP
Internal Audit: Plan for 2017/18 AC 17/18 2 H	Include how academic quality is measured and used to inform continuous improvements on the list of potential internal audit areas for 2018-19	September 2018	KPMG
Risk Register AC 17/18 2 K	Review and categorise Trustees' list of potential risks	February 2017	CI/SP