

**Minutes of the meeting of the South Bank Colleges Audit Committee
held at 4pm on Wednesday 1 February 2023
via Microsoft Teams**

Present

Andrew Owen (Chair)
Steve Balmont
Mee Ling Ng

In attendance

Benjamin Baker (item 9 & 10)
Michael Broadway
Stuart Johnston (item 6)
Natalie Ferer
Fiona Morey
Jacqueline Mutibwa
Ian Rule
Gemma Wright, BDO, Internal Auditors

1. Welcome and apologies

The Chair welcomed the members to the meeting. Apologies were received from Richard Flatman.

2. Declarations of Interest

No member declared an interest in any item on the agenda.

3. Minutes of previous meeting

The minutes of the meeting held on 9 November 2022 were approved as an accurate record.

4. Matters arising

The Committee noted the update on matters arising from the previous meeting and that the actions had been completed.

5. Tender for External Auditors and timeline

The Committee noted that KPMG had indicated that they would not be able to undertake the external audit for financial year 2022/23. An LSBU and SBC tender

process to find replacement external auditors had begun. The Chair of the SBC Audit Committee and the SBC CFO would have an input in the tender specification on its requirements and would also be involved in the selection process. Procurement would be via a framework mini-competition due to time constraints and the need to have an external auditor appointed by the end of April 2023. The Committee would be kept updated on the matter.

As the external auditors would be working for both LSBU and SBC, both LSBU and SBC Boards would be requested to approve the appointment.

An update on the process would be provided to the Board at its next meeting.

6. Internal Audit Progress Report

Internal Audit Recommendation Follow up 2019/20 - 2021/22

The Committee discussed the internal audit follow up and progress made on implementing actions agreed in previous audits. The Group Director of IT & Digital Transformation attended the meeting to give an update on progress being made on closing the IT outstanding actions since 2019/20. The actions were being prioritised based on the severity of the risk and impact on the business operations. Some actions were being progressed while others needed more time to implement due to resources and implementation dates would need to be reviewed. LSBU support would be needed to resolve the issues and the appointment of a SBC Head of IT was noted. The Committee received assurance from the Group Director of IT & Digital Transformation that the actions were being progressed but would need more resources and time to implement them.

The Committee reviewed the internal audit action tracker. The Committee expressed its concern about a number of management actions that were overdue especially the DBS checks which was a high risk and had to be completed by end of February 2023. The Committee asked management to monitor the progress on the actions and that they are closed within the timescales. It was noted that having just one staff member assigned to an action was a risk and would be reviewed. The Committee received assurance from management that there would be an improvement in this area of work and the agreed recommended actions would be implemented within the timescales.

Internal Audit Progress Report

The Committee discussed the 2022/23 audit programme and the changes to the plan. The business and curriculum planning audit had been rescheduled a week later due to staff being unavailable in the original week the audit was scheduled. The project working group had asked that an additional audit on the NESC post-project review (lessons learnt) was included in the audit programme and prioritised to be carried out as soon as possible. The audit would support the next

stages of the estates development (Phase 2 and 3) and address the lesson learned from the previous project. The scope of the audit work would be prepared by the CFO and BDO internal auditors with input from the project working group. The audit costs would be around £10k.

The Committee reviewed the audit reports on HR & Pay Roll and Admissions & Enrolment process. The Committee discussed:

- HR and Payroll. The auditors gave a 'moderate' level of assurance over both the design and the operational effectiveness of the controls in place relating to the HR and Payroll process. Three medium and three low risks had been identified. The recommendations would be addressed.
- Admissions and Enrolment process. The auditors gave a 'moderate' level of assurance over both the design and the operational effectiveness of the controls in place relating to the admissions and enrolment process. Three medium and one low risk had been identified. There was an update on work being done to progress the recommendations and that additional resources would be sought.

The Committee welcomed the improvement to the format of the report which was clearer and easier to read.

7. Updated Corporate Risk Register

The Committee reviewed the updated risk register.

The Committee noted the changes on the register in terms of risk rating. The risk severity on asset security risk had gone up (from green to amber) due to the new high-quality equipment at the new building and the security measures and access controls that needed to be in place in order to safeguard the assets. The risk relating to LSBU group financial support (due to the Transaction Unit Funding grant which was fully utilised) had gone down (from amber to green). It was requested that this risk rating remained medium (amber) despite the underlying financial improvements that had been made.

The Committee noted the two new risks related to ESFA sub-contracting that had been included in the register.

8. Value for Money Update

The Committee received an update on progress being made on establishing an embedded organisational approach and framework for securing Value for Money (VfM).

The Committee noted the key progress that had been made since the last meeting in June 2022 which was the implementation of a computerised purchase ordering system and would embed the VfM approach i.e. Agresso's purchase ordering functionality.

The Committee discussed VfM assessment and that the Tribal model had been used to benchmark against sector peers and results would be shared with the Committee and presented in future reports. The Committee would also be presented with annual case study reports evidencing assessment of VfM and success in securing outcomes so that practices can be monitored, reviewed and improved.

The Committee noted that the audit on the NESC post-project would include a review of VfM i.e. a review of capital expenditure procedures would help to ensure that VfM principles are applied throughout future projects, from commissioning through design, scoping and delivery, and cover all aspects including construction, professional support, equipping and relocating to the new site.

9. Business Continuity Plan Update

Ben Baker joined the meeting

The Committee received an update on the development of the SBC business continuity plan, which was supported by the LSBU Health, Safety and Resilience team.

The Committee noted that the progress was slow due to support issues. The recommendations in the report were noted. Management would need to consider how the business continuity plan would work and its impact on SBC.

The Committee asked SBC management to provide support to LSBU group Health Safety and Resilience team to enable the business continuity work to be completed. Staff would be encouraged to download and utilise the SafeZone application as an emergency communication tool.

10. Health & Safety Incidents

The Committee received an update on Health and Safety Accident and Incident reporting for November 2022 – January 2023 period.

The Committee noted that there had been an increase in the number of reported accidents and incidents in comparison to the previous reporting period. Though there were no RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) reportable incidents during the reporting period. The increase in reported incidents was attributed to the online reporting systems and

that SBC's safety performance remained strong and in line with industry standards.

The Committee asked that future reports should include:

- a more detailed trend analysis of the incidents/accidents i.e. since last year.
- a data breakdown to campus specific i.e. Vauxhall, Clapham and Brixton.
- benchmarking the performance against similar colleges to assess SBC's performance in this area of work. This will be presented in the annual report.

Ben Baker left the meeting

11. Anti-Fraud, Bribery and Corruption Report

The Committee noted that no incidences of fraud, bribery or corruption had been identified since the last meeting in November 2022.

12. Speak Up Policy and Report

The Committee noted the Speak up policy which had been reviewed and there were no changes. It also noted that there were no matters that had been raised under the Speak up policy since the last meeting in November 2022.

The reviewed policy would be promoted to staff to raise awareness.

13. Any other business

The Committee was informed about the SBC estates health & safety outstanding actions arising from the risk register and internal audits which were being progressed. An update on progress being made on closing the actions would be presented to the Committee at end of February 2023.

**Date of next meeting
4pm, Tuesday 13 June 2023**

Confirmed as a true record

.....(Chair)