

**AUDIT COMMITTEE**

**Meeting held on Thursday 15 July 2021, 10.30am**

**Via Zoom**

**The London Institute of Banking & Finance (LIBF), Peninsular House, 36 Monument Street,  
London EC3R 8LJ**

**Present:** David Kennedy (Chair)  
Hanif Barma  
Phil O'Shea  
Maria Vetrone

**In Attendance:** Alex Fraser (*Chief Executive*)  
Ian Parrett (*Chief Operating Officer*)  
Suellen White (*Associate Dean, QPR*)  
Richard Martindale (*Company Secretary*)  
Catherine Winter (*Managing Director, Financial Capability*)  
James Aston (*BDO*)  
Lorna Raynes (*RSM*)

**1. Apologies and Welcome**

Apologies were received from Mr Gordon, Mr Cheetham and Mr Lewis. The Chair welcomed Ms Raynes who would cover item 7 on the agenda.

**2. Declarations of Interest**

Mr Aston declared an interest as a member of Ofsted's Audit and Risk Assurance committee. Mr Barma declared an interest as a part time LIBF Tutor and a visiting faculty member of LIBF's Centre for Governance, Risk and Regulation. The Committee noted the declarations.

**3. Minutes**

The minutes of the meeting of the Committee held on 11 March 2021 (paper AuC21/01/MIN) were approved.

**4. Matters Arising**

Mr Parrett provided an update on payroll processes. He confirmed that a review of HR systems had been undertaken and the potential solutions considered would require less manual input than was currently required. It was expected implementation of a new system would take approximately 3-6 months.

## 5. Regulatory Update

Ms White reported that the recent review undertaken by the Quality Assurance Agency on behalf of the Office for Students had been positive.

### ***Redacted - Confidential***

Ms White provided a short presentation on how the Quality, Policy & Regulation team ensure regulatory compliance and assurance that quality and standards have been met. It was noted that;

- i. Knowledge is shared across the team and contingency plans are in place for each team member;
- ii. There is close communication between Ms White, the Chief Executive and the Board on regulatory matters, and;
- iii. A range of methods are used to benchmark and identify good practice.

## 6. Risks Related to Financial Capability

Ms Winter joined the meeting and presented on the strategic risks relating to Financial Capability (SR20/SR21).

### ***Redacted - Confidential***

The Chair thanked Ms Winter for her presentation.

## 7. Internal Audit

Ms Raynes presented the following items:

i. Progress Report 2020/21 (paper AuC21/02/07i):

An update on progress against previous audits was provided. It was noted that there had been some delays in completing actions against recommendations given the circumstances of the last year, but that none of those outstanding were considered to be high priority.

Ms Raynes highlighted the client briefings produced by RSM that had been shared since the last meeting of the Audit Committee. The Committee asked whether any actions were being undertaken at LIBF in light of the briefing on sexual harassment risks in higher education. It was confirmed that this, along with anti-Semitism, were being considered by the relevant teams and an update would be provided at the next meeting of the Committee. **Action: RM**

ii. Key Financial Controls (paper AuC21/02/07ii):

The audit had focused on general ledger and payments, and had received the highest level of assurance with some minor recommendations.

iii. Data Quality – Higher and Degree Level Apprenticeships (paper AuC21/02/07iii):

The audit had focused on apprenticeship data. There had been some issues identified from the first cohort but these had already been addressed for the second cohort. None of the issues identified in the report would currently lead to a funding issue but could if not addressed.

iv. Internal Audit Plan 2021/22 (paper AuC21/02/07iv):

Ms Raynes confirmed she had met with Mr Parrett and Mr Martindale to discuss the internal audit plan. It was intended that activity would encompass a review of Board packs, budgetary control and expenditure, health & safety (in particular home working arrangements),

management information and student satisfaction. Ms Vetrone asked if the audit plan aligned with the Strategic Risk Register. Ms Raynes noted she would add the appropriate risk references into the audit plan. **Action: LR**

## 8. External Audit

Mr Aston presented the 2021 Audit Plan (paper AuC21/02/08i) and noted that the same team would be used to maintain continuity and that materiality would remain at 2 per cent. He highlighted the timetable on page 12 of the Plan and confirmed the team would meet the dates stated.

The Committee sought clarification on how materiality had been determined at 2 per cent. Mr Aston confirmed that the large six firms worked between 1 and 3 per cent. Within BDO, education charities were within this range. He noted that if there were deemed to be an increase in financial risk the materiality level would be moved lower.

*Mr Aston and Ms Raynes left the meeting.*

## 9. Risk Management

Mr Parrett provided an update on the following items:

i. Strategic Risk Register (paper AuC21/02/9i)

There had been no changes to the risk ratings but some of the actions had been updated. The risk relating to the LIBF MENA subsidiary had been reallocated to the Managing Director MENA & Gulf.

ii. Cyber Security

Work had continued to focus on preparing for Cyber Essentials Plus certification and the formal assessment was expected to be undertaken in July of this year.

### ***Redacted - Confidential***

Mr Kennedy asked what training was undertaken with staff. Mr Parrett confirmed that the 'KnowBe4' platform was used to deliver ongoing security awareness training to staff. Awareness of cyber security issues was also being raised with students.

## 10. Any Other Business

There was no other business.

## 11. Date of Next Meeting

Tuesday 2 November 2021, 10.30am

## 12. Committee Review with Auditors

No items were raised for review and the meeting concluded.

Action	Responsibility
Add an update on the review of sexual harassment and anti-Semitism to the agenda of the next meeting.	Richard Martindale

Update the Internal Audit Plan 2021/22 to include appropriate risk references from the Strategic Risk Register.	Lorna Raynes
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