Meeting of the BBC Audit and Risk Committee

SUMMARY MINUTES

Wednesday 21 June, 2018
Room 3028, Old Broadcasting House, London

ITEMS OF BUSINESS

1. Minutes and matters arising from 27 March Audit and Risk Committee
2. Internal Audit quarterly reporting
   a) Internal Audit 2017/18 Year End Review
   b) Internal Audit quarterly update
   c) Internal Audit Co-Source Re-procurement
3. Quarterly risk reporting
4. Project and Programme Management
5. Security update
6. NAO Licence Fee Trust statement
7. For noting:
   a) Whistleblowing report
8. AOB
ATTENDANCE

* Members: *
  - Simon Burke  Non-executive director (Chair)
  - Tom Ilube  Non-executive director
  - Ashley Steel  Non-executive director

* Board members present: *
  - Anne Bulford  Deputy Director-General

* With: *
  - Balram Veliath  Director, Quality, Risk and Assurance
  - Sarah Jones  General Counsel
  - Glyn Isherwood  Group Finance Director
  - Shirley Cameron  Group Financial Controller
  - Stephen Smith  Executive Partner, National Audit Office (NAO)
  - Kate Mathers  Audit Partner, NAO
  - Phil Harrold  Company Secretary
  - Chris Sandford  Director-General's Office (secretary)
  - Peter Tansley  Head of Internal Audit (for item 3)

APOLOGIES
None
AUDIT AND RISK COMMITTEE SUMMARY MINUTES – 21 June 2018

1. Minutes and matters arising from 27 March Audit and Risk Committee

1.1 The minutes were approved.

2. Internal Audit quarterly reporting

a) Internal Audit 2017/18 Year End Review

2.1 The Audit and Risk Committee were briefed on the overall numbers and findings of audits during the year, including an analysis of the most prevalent root causes of issues identified.

2.2 The Committee noted the report and the overall opinion that a sound system of control was in place in the BBC.

b) Internal Audit quarterly update

2.3 The Committee discussed the regular quarterly paper from Internal Audit, setting out the findings of recent audits and detail on any overdue actions.

2.4 The Committee discussed the current audit plan and noted that six audits had been added to it. The Internal Audit team had also been providing assistance on key projects such as pay disclosures and the Annual Report.

c) Internal Audit Co-Source Re-procurement

2.5 The Committee discussed a proposal to re-procure the co-source audit partner for the Internal Audit team.

2.6 The Committee noted that the plan was at an early stage.

3. Quarterly risk reporting

3.1 The Committee reviewed the quarterly risk update, which included additional detail on proposed risk metrics and a dashboard presenting an articulation of risk appetite. The Committee welcomed the clarity of the work that had been taken forward.

3.2 The Committee noted the report and that further work would continue on the risk metrics and specific mitigating actions.
4. Project and programme management

4.1 The Committee were briefed on the work of the BBC’s Programme Management Office and the processes in place to manage major projects. It was noted that regular reports on the Critical Projects Portfolio were taken at the Board and also discussed at the Executive Committee, whilst any particular concerns outside of this were reported up to the Chair of the Audit and Risk Committee.

4.2 The Committee noted the report and requested that it take a quarterly update on the work of the PMO, in order to discuss the major project list in more detail.

5. Security update

5.1 The Committee were briefed on current security issues and the national threat level. The BBC security team followed advice on the threat level closely and were able to step up actions quickly, if necessary, in response.

5.2 The Committee asked for a regular update at future meetings on security issues, including the ongoing review of key sites and high risk access areas.

6. NAO Licence Fee Trust statement

6.1 The Committee were briefed on the findings of the NAO’s annual audit of the licence fee trust statement, which would be laid in Parliament alongside the Annual Report and Accounts.

6.2 The Committee reviewed the findings of the report, the draft management letter of representation and the proposed audit certificate. A clean audit and no adjustments were proposed. The section 2 report was required by law and some minor changes were being made following discussions with the BBC. The data required to complete the report were only available at a late stage, and this would be kept under review for the next year.

6.3 The Committee concluded that the report and accompanying disclosures were a fair assessment and recommended the report for signature by the Director-General.

7. For approval / noting

a) Whistleblowing report
7.1 The Committee noted the Whistleblowing report and that the number of cases had reduced.

8. AOB

8.1 There were no items of other business.