Meeting of the BBC Audit and Risk Committee

SUMMARY MINUTES

Thursday 5 February, 2018
Room 3028, Old Broadcasting House, London

ITEMS OF BUSINESS

1. Minutes and matters arising from 21 September Audit and Risk Committee
2. Internal Audit quarterly reporting
3. Risk report
4. Year-end audit items:
   a) Emerging Issues
   b) NAO audit update
5. GDPR compliance briefing
6. For approval / noting:
   a) Whistleblowing update
7. AOB
ATTENDANCE

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

Board members present:
- David Clementi  Chairman
- Tony Hall  Director-General
- Anne Bulford  Deputy Director-General

With:
- Balram Veliath  Director, Quality, Risk and Assurance
- 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 (item 2)
- Peter Farrell  Head of Legal (for item 5)

APOLOGIES
- Ashley Steel  Non-executive director
- Sarah Jones  General Counsel
1. **Minutes and matters arising from 21 September Audit and Risk Committee**

1.1 The minutes were approved.

2. **Internal Audit quarterly reporting**

2.1 The Audit and Risk Committee noted the quarterly update on Internal Audit work and the findings of recent audits. The audit plan remained on track and the Committee agreed it was important that audits were completed properly rather than to a hard deadline at the year end. The Internal Audit team reported generally good levels of engagement from the business. The Committee were updated on the positive findings of a recent audit on cloud data storage and on the findings of a regular audit of editorial compliance, particularly in relation to online clips.

3. **Risk report**

3.1 The Committee reviewed an updated proposal for risk reporting, with draft metrics and measures to support the main operational and strategic risks. The proposed new metrics and reporting were welcomed by the Committee as a strong piece of work, with the potential to represent best practice when the process had been embedded in management reporting.

3.2 Discussing the report, the Committee noted that, in a number of areas, data was still being compiled and was intended to show trends over time and the impact of management interventions. After two to three quarters, the data would be more developed and would support a discussion at the Board on risk appetite overall. More detailed data would be presented to the June Committee meeting.

4. **Year-end audit items**

   a) **Emerging issues**

4.1 The Committee were provided with an update from the Executive on emerging issues arising from year-end accounting preparations. It was noted that work was ongoing to ensure Charter compliance and that preparation for new financial reporting under IFRS15 and 16 was being taken forward.

   b) **NAO audit update**

4.2 The NAO provided an update on the progress of their audit. Regularity was an area of particular focus, and on which there had been productive recent discussions with the BBC. It was recommended that the Board take assurance in relation to the BBC’s compliance with all relevant frameworks, including the Charter, Agreement and directions from
Ministers. Gender pay was another area of focus, which the NAO were considering further.

4.3 The Committee asked that the Executive provide the necessary assurance in relation to regularity ahead of the Annual Report and Accounts. Internal Audit would also provide assurance on this issue.

4.4 The Committee noted the recent publication of the NAO’s positive value for money report on the BBC’s audience services. It was also noted that the NAO would publish their landscape review of commercial services in March.

5. **GDPR compliance briefing**

5.1 The Committee were briefed on the BBC’s preparations for the implementation of the GDPR regulations on 25 May. The BBC’s aim was to reach a defensible position by the time the regulations came into force and this position was being developed in line with ICO guidance. Data was held in a variety of places across the BBC and work was underway to educate staff on what information they should retain and why. A new information assets register was being created to manage the process.

5.2 The Committee asked for a further briefing and assurance on areas of compliance and areas where further work was required, considering third party data requirements as part of this.

6. **For approval / noting**

a) **Whistleblowing report**

6.1 The Committee noted the Whistleblowing report and that quarterly campaigns to encourage staff to speak up were underway.

7. **AOB**

7.1 There were no items of other business.