Meeting of the BBC Audit and Risk Committee

SUMMARY MINUTES

Wednesday 20 June, 2019
Mrs Brown Room, 3rd floor, Pacific Quay, Glasgow

ITEMS OF BUSINESS

1. Minutes and matters arising from 3 April and 6 June Audit and Risk Committees
2. Internal Audit items:
   a) Quarterly Internal Audit actions and update
   b) Internal Audit plan 18/19 year-end review
3. Risk session - update and metrics review:
   a) Quarterly risk update
   b) How risk is managed at the BBC
4. Technical resilience update - Andrew Marr Show
5. His Dark Materials - audit update
6. NAO Licence fee trust audit completion report
7. Project reporting:
   a) PMO report
   b) Project and programme management assurance programme 2019/20
   c) E20 quarterly update
8. For noting:
   a) Whistleblowing report
9. AOB
ATTENDANCE

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

Board members present:
• David Clementi  Chairman
• Tony Hall   Director-General

With:
• Glyn Isherwood  Chief Financial Officer
• Balram Veliath  Director, Quality, Risk and Assurance
• Sarah Jones  Group General Counsel (by phone)
• 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  Director, Internal Audit
• Peter O’Kane  Director, ISOC (by phone, for item 6)
• Tom Fussell  CFO, BBC Studios  (by phone, for item 7)
• Colin Waters  Commercial Finance Director (by phone, for item 7)
• Gary Clarke  Portfolio Manager, PMO (by phone, for item 9)

APOLOGIES
None
1. **Minutes and matters arising from 3 April and 6 June Audit and Risk Committees**

   1.1 The minutes were approved.

2. **Internal Audit items**

   a) **Quarterly Internal Audit actions and update**

   2.1 The Audit and Risk Committee were updated on the work of the Internal Audit team in the previous quarter, including completed audits and audit actions. The audit plan was on track for the early part of the year and a number of pieces of year-end assurance had also been completed.

   2.2 The quarterly report was noted.

   b) **Internal Audit plan 18/19 year-end review**

   2.3 The Committee noted an update from Internal Audit on the overall findings from audits in 2018/19 and the particular common themes or root causes that arose from the plan. The paper also provided assurance that the overall levels of control in the BBC were satisfactory, on the basis of the work done in the year.

3. **Risk session – update and metrics review**

   a) **Quarterly risk update**

   3.1 The Committee reviewed the quarterly risk update, which showed a largely stable picture from the previous quarter. The report was supported by the full set of detailed risk metrics, as part of the Committee’s annual review.

   3.2 The Committee asked for a briefing at a future meeting on cyber risk and progress with patching. An audit was also to be undertaken on this issue.

   3.3 The Committee noted the report and the detailed supporting metrics.

   b) **How risk works at the BBC**

   3.4 The Committee were briefed on the processes in place to support the assessment of risk in the BBC. The process ensured that risks being monitored at divisional level were factored into the overall assessment at Group level.

   3.5 The Committee noted the update.
4. **Technical resilience update - Andrew Marr Show**

4.1 The Committee were briefed on a recent technical outage that delayed the transmission of the Andrew Marr Show.

4.2 The Committee noted the briefing and the assurance it provided.

5. **His Dark Materials – audit update**

5.1 The Committee received a briefing on the management of the production of *His Dark Materials* in BBC Studios, which represented a significant investment by the BBC.

5.2 The Committee noted the briefing.

6. **NAO Licence fee trust audit completion report**

6.1 The Committee were presented with the audit completion report from the NAO, as part of their work on the audit of the licence fee trust statement for 2018/19. The process of the audit had been good and an unqualified opinion was expected. There were no issues for the NAO to report.

6.2 In discussion it was noted that some final changes were being made to the report and the audit certificate and these would be circulated offline for final approval.

6.3 The Committee noted the audit report from the NAO.

7. **Project reporting**

   a) **PMO report**

7.1 The Committee noted the monthly PMO report which showed a stable picture over the previous period, with overall positive recent assurance levels.

   b) **Project and programme management assurance programme 2019/20**

7.2 The Committee noted and approved a proposed plan for assurance of the critical projects portfolio over the coming year. The plan would look to find major themes and opportunities for improvement across projects and would make use of external expertise as well as from the central project assurance team.

   c) **E20 quarterly update**

7.3 The quarterly update on the E20 programme was noted. The project was currently tracking to plan.
8. For approval / noting:

a) Whistleblowing report

8.1 The Committee noted the Whistleblowing report.

9. AOB

9.1 The Committee noted that this was Simon Burke’s last meeting in the Chair. His achievements over eight and half years had been significant and the Committee recorded its thanks to him for his efforts during his time as a Board member.