

**Imperial College Union Board of Trustees**

**30 October 2019**

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| **AGENDA ITEM NO.** | Item 10  (Addendum to Finance and Risk minutes) |
| **TITLE** | Update on Internal Audit Recommendations |
| **AUTHOR** | Malcolm Martin |
| **EXECUTIVE SUMMARY** | This paper provides an update on the June 2019 internal audit report.  From the 10 recommendations raised by KPMG in June 2019 only 3 are currently outstanding in line with the due dates stated in the original report. |
| **PURPOSE** | To provide assurance as to the effectiveness of the internal controls. |
| **DECISION/ACTION REQUIRED** | For information |

Introduction

This paper provides a brief update on the Internal Audit recommendations following the KPMG Internal Report issued in June 2019.

The annual Internal Audit review took place at the end of March 2019.  An initial and comprehensive response was presented to the May 2019 Board by the Managing Director which covered a significant range of issues from the role of bar operations manuals, procurement processes, stock control, health and safety to financial controls and standard operating procedures.

Dean Gibbs, KPMG Partner, attended the June 2019 Finance and Risk Committee and walked through the 10 recommendations, 1 was classified as high priority, 4 as medium priority and 5 as low priority.

Update

Only items 5, 8, and 9 remain outstanding.

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| Recommendation | Update on recommendation |
| No 1 (high) Supervisor access codes | Completed by time report was issued |
| No 2 (medium) Bar till reconciliation | Completed by time report was issued with a petty review presented at F&R in June 19 |
| No 3 (medium) Float procedures | Completed by time report was issued and float levels have been reduced |
| No 4 (medium) Alignment of business planning to strategy | Completed by time report was issued |
| No 5 (medium) Business case requirements & financial procedures | Partially completed as summary papers are now presented at Leadership to aid decisions,  However, the review of the financial procedures is due by 28 February 2020 |
| No 6 (low) Staff guidance and training | Revised Standard Operating Procedures (SOP’s) were circulated to F&R shortly after June 2019 meeting and were noted in the minutes in the October 2019 meeting.  This has now been completed |
| N0 7 (low) Template Business Case | This is outstanding |
| No 8 (low) Physical security for shop – CCTV in back office | This is outstanding (key for back office door to be sourced, and assessment to be made about suitability of CCTV) |
| No 9 (low) financial procedures | Partial completion - Commercial SOP’s have been refreshed and approved by F&R in October 2019, however Financial procedures will be reviewed by 28 February 2020 |
| No 10 Bank reconciliation | Completed by time report was issued |

Appendix 1

Priority Classifications

High priority:

A significant weakness in the system or process which is putting you at serious risk of not achieving your strategic aims and objectives. In particular: significant adverse impact on reputation; non-compliance with key statutory requirements; or substantially raising the likelihood that any of the Trust’s strategic risks will occur. Any recommendations in this category would require immediate attention.

Medium priority:

A potentially significant or medium level weakness in the system or process which could put you at risk of not achieving your strategic aims and objectives. In particular, having the potential for adverse impact on the Trust’s reputation or for raising the likelihood of the Trust's strategic risks occurring.

Low priority:

Recommendations which could improve the efficiency and/or effectiveness of the system or process but which are not vital to achieving the Trust’s strategic aims and objectives. These are generally issues of good practice that the auditors consider would achieve better outcomes.