



## **Meeting of the BBC Audit and Risk Committee**

### **SUMMARY MINUTES**

Tuesday 11 December 2024  
Broadcasting House, London

#### **ITEMS OF BUSINESS**

1. Committee business
  - a) Apologies and conflicts of interest
  - b) Minutes and matters arising from the 10 September Audit and Risk Committee
2. Finance and audit
  - a) Accounting matters
  - b) BBC Group Financial Forecasting Cycles
  - c) NAO audit planning report
3. Fair Trading update
4. Risk and compliance
  - a) Quarterly risk and compliance report
  - b) B&H cases update
5. Risk topics
  - a) Net Zero - transition plan
  - b) Risk appetite deep dive - safety
  - c) InfoSec update
  - d) Whistleblowing update
6. Internal Audit
  - a) Quarterly Internal Audit and Assurance report
  - b) BBC Approach to Audit and Assurance
  - c) Internal Audit EQA
  - d) Follow up on recent audits - ICOM and digital resilience
7. Projects
  - a) Critical project portfolio
  - b) Enterprise savings programme update
  - c) Capita upgrade programme
8. AOB and for noting:
  - a) S4C 6-monthly assurance report
  - b) News mandatory training compliance

## **ATTENDANCE**

### *Members:*

- Chris Jones Non-executive director (Chair)
- Shumeet Banerji Non-executive director
- Michael Plaut Non-executive director

### *Board members present:*

- Leigh Tavaziva Group Chief Operating Officer

### *With:*

- Ian Griffiths Commercial Board NED
- Alan Dickson Chief Financial Officer
- Balram Veliath Director, Quality, Risk and Assurance
- Claire Rollo National Audit Office
- Greg Wilson National Audit Office
- Chris Sandford Head of Governance (secretary)
- Chris Saul Observer
- Holly King Group Financial Controller (2,7b)
- Amanda Jones CFO, Studios (item 2)
- Chris Rowsell Controller, Regulation (item 3)
- Gurdip Ryatt Head of Risk (item 4)
- Uzair Qadeer CPO (item 4b)
- Nigel Lewis HR Director (item 4b)
- Danielle Mulder Director, Sustainability (5a)
- Zoe Hayes Head of SSR, Safety (item 5b)
- Peter O'Kane CTO (item 5c,7c)
- Katharine James Head of SSR, Investigations (5d)
- William Richards SSR Manager (5d)
- Peter Tansley Director, Internal Audit (5b,6,7)
- Jill Emney PwC (item 6c)
- Adam Richards PwC (item 6c)
- Phil Harrold Company Secretary (item 6d)
- Jack Whyte Director, Prod Engineering (6d)
- David Buckhurst Head of Prod Engineering (6d)
- Eddy Datubo Director, Transformation (7)
- Kirsten Mitchinson Sr. Project Director (item 7b)

## **AUDIT AND RISK COMMITTEE SUMMARY MINUTES – 11 December 2024**

### **1. Minutes and matters arising from the 10 September Audit and Risk Committee**

- 1.1 The minutes were approved and no new conflicts of interest were raised. Matters arising were noted.

### **2. Finance and audit**

#### *a) Accounting matters*

- 2.1 The Committee discussed an overview of matters relating to the year-end process. Good progress in making process improvements was noted. Planning and preparatory work in BBC Studios was discussed, with an early focus on areas of likely complexity. The work was being kept under regular review, with assurance updates being provided to the Committee.
- 2.2 The Committee discussed organisational changes in the Finance function and noted the long term benefits expected from these, though with a need for a clear timetable and close management of the year-end process in the current year. It was agreed that a draft paper on going concern modelling would come to the March meeting. It was also agreed that an earlier complete draft of the Annual Report would be prepared for review, noting that some elements of narrative and reporting of audience data would need to be updated nearer the time of publication.
- 2.3 The Committee discussed work to prepare for planned ICFR reporting improvements, along with benefits that could be realised through the new outsource partner. The most critical corporate reporting areas of focus identified by the FRC were noted, including how these would be handled. The addition of more technical resource was welcomed and the Committee noted good progress to this point in the work. The need to ensure changes to processes were sustainable and supported by systems and tech changes was agreed.

#### *b) BBC Group Financial Forecasting Cycles*

- 2.4 The Committee were briefed on proposed plans to change the budget and forecasting cycle, aligned to the work on year-end processes and controls. The new process would align across the Group and would link to work to build additional capability and depth in finance teams. Management would review the relevant KPIs and bring them back for discussion as part of the year-end process.

#### *c) NAO audit planning report*

- 2.5 The Committee reviewed the NAO's audit planning report, which included the preliminary assessment of key risks and key audit matters, to be updated in March. The Committee noted the assessment and management's view of the material risks and

these were aligned. The Committee confirmed it was not aware of any other material risks. The current assessment of fraud risks was noted, including the identification of licence fee revenue recognition risks. The Committee noted that the position on the audit fee would be reported back to the Committee for consideration and approval when progressed with management.

### **3. Fair trading update**

- 3.1 The Committee noted the quarterly update. The position in terms of training was good. Further work being done to streamline and simplify the SLA process was noted. The timetable for the Deloitte independent assurance work was noted, as well as the timing of engagement with Ofcom on the issue.

### **4. Risk and compliance**

#### *a) Quarterly Risk and compliance report*

- 4.1 The Committee reviewed the latest risk and compliance report. There were no elevated operational risks in the last quarter. Progress of work to review the approach to freelance engagements was noted and a more detailed update on delivery confidence for this project would be provided at the March meeting. It was agreed that an update on the East Bank project would come to the Board in January. The publication of the most recent external events register was also noted. The Committee agreed that an update on business resilience plans should come back for discussion at the right time, along with work on data strategy and governance.

#### *b) B&H cases update*

- 4.2 The Committee were briefed on work to address bullying and harassment caseloads. Trend of time to resolve cases was beginning to reduce due to additional resourcing, with more work being done on the role of the hearing manager. It was agreed that more discussion on consequence management would be arranged.

### **5. Risk topics**

#### *a) Net zero transition plan*

- 5.1 The Committee discussed the draft plan ahead of approval at the Board. The requirements for publication and reporting were noted, along with industry benchmarks. It was expected that plans would need to be refreshed and updated periodically, as information and data changed, including information on costs. The plan had been discussed by the Executive and reviewed in detail by Corporate Affairs.
- 5.2 The role of the BBC as an educator in this area was noted. The document would be discussed at the Board and amended further as per the discussion.

*b) Risk appetite deep dive - safety*

- 5.3 The Committee reviewed a deep dive on risk appetite for safety, noting the need for both top down leadership and also competence and skills in the first line. The current risk appetite position was noted, with a desire to increase this.

*c) InfoSec update*

- 5.4 The latest risk update was noted, including the response to actions arising from the external review of a recent data breach involving the use of GitHub. The risks around partnership with West Coast digital companies of scale were noted, with additional requirements likely to be coming through a new Cyber Security Bill. Risks in this area would continue to be monitored. The report was noted.

*d) Whistleblowing update*

- 5.5 The Committee were briefed on an overview of case outcomes and data on actions taken. The investigation and decision process was noted. It was agreed that a session on management of consequences would come back for discussion, alongside the detail on B&H cases.

**6. Internal Audit**

*a) Quarterly Internal Audit and Assurance report*

- 6.1 The Committee reviewed a report on the audits completed in the last quarter. Recommendations made on investment case management in divisions were noted and were being implemented as part of a wider process review. These changes would be tested again in a few months' time. The report was noted.

*b) BBC Approach to Audit and Assurance*

- 6.2 This paper was deferred for discussion at a later meeting.

*c) Internal Audit EQA*

- 6.3 The Committee were briefed on the findings of the recent external quality assessment of the Internal Audit function. Such a review was required to be conducted every five years. The positive findings in the report were noted and welcomed, with recommendations for areas of focus to be responded to. There was a need to consider how best to provide internal oversight of expert digital resource for audits, and changes to the operating model in the team were expected to deliver this.

*d) Follow up on recent audits - ICOM and digital resilience*

- 6.4 The Committee were briefed on the next phase of the News international operating model project. A plan to put in place a new global operating model strand was noted

and was expected to be launched in the new year. The level of confidence in delivery of this plan was noted and an updated would come to the Committee in June.

- 6.5 The Committee also noted an update on the management response to an audit of digital resilience. Progress against the actions identified was noted and welcomed.

## **7. Projects**

### *a) Critical project portfolio*

- 7.1 The Committee reviewed the project portfolio, which was stable on the last quarter. The response to the Public Accounts Committee on Across the UK had been finalised and submitted. Progress with agreement of a new Diversity, Inclusion and Belonging strategy was noted. Work to review and refresh the portfolio was noted, with the project to address the FRC controls declaration to be added.

### *b) Enterprise savings programme update*

- 7.2 The Committee were given a briefing on progress with the overall consolidated savings programme. The oversight and governance of the programme was noted, with consistent reporting in place across all areas. The programme was regularly reviewed with non-executive directors and reported to the Board, tracking progress in delivery confidence of savings. The categorisation of savings was discussed, noting the need to keep consistent reporting against prior plans, but with agreement to also consider breaking out further details in the reporting on types of savings.

### *c) Capita upgrade programme*

- 7.3 The Committee were briefed on the latest status of the programme. Ongoing senior engagement was leading to positive progress. The timetable and key milestones were clear.

## **8. For noting**

### *a) S4C assurance report*

- 8.1 The Committee noted the latest assurance report and that the Committee Chair had met with the S4C's Audit Committee Chair earlier in the day.

### *b) News mandatory training compliance update*

- 8.2 An update on progress with mandatory training compliance in News was noted, with encouraging progress made in the last period.