



Meeting of the BBC Audit and Risk Committee

SUMMARY MINUTES

Wednesday 18 June 2025
Broadcasting House, London

ITEMS OF BUSINESS

1. Committee business
2. Apologies and conflicts of interest
3. Minutes and matters arising from 17 March Audit and Risk Committee
4. Year-end - audit and assurance
 - a) Accounting matters and briefing on lease accounting
 - b) Internal audit assurance of ARA data assertions
 - c) Regularity review
 - d) Internal audit annual report
5. Annual Report and Accounts
 - a) ARA overview
 - b) ARA narrative sections: COO report, Sustainability disclosures and ARC report
 - c) ARA Risk report
 - d) Going concern and viability statements
 - e) Fair Trading assurance report
6. NAO Audit completion report on the 2023/24 financial statements audit and LF trust statement
7. Licence Fee Trust statement
8. For approval:
 - a) BBC Group modern slavery statement 2024/25
 - b) DCMS assurance letter
 - c) Fair Trading reporting materials
9. Bullying and Harassment actions update
10. Transformation portfolio and projects overview
11. Update on cyber risk appetite and cybersecurity activities
12. AOB

ATTENDANCE

Members:

- Chris Jones Non-executive director (Chair)
- Shumeet Banerji Non-executive director (items 1-8)
- Michael Plaut Non-executive director

Board members present:

- Tim Davie Director-General (items 1-4)
- 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 Company Secretary (secretary)
- Holly King Group Financial Controller (2-6)
- Amanda Jones CFO, Studios (2-4)
- Peter Tansley Director, Internal Audit (2,3)
- Shirley Cameron Director, Revenue Management (item 5)
- Chris Rowsell Controller, Regulation (3e, 6c)
- Uzair Qadeer Chief People Officer (item 7)
- Nigel Lewis HR Director (item 7)
- Eddy Datubo Director, Transformation (8)
- Peter O'Kane CTO (item 9)

AUDIT AND RISK COMMITTEE SUMMARY MINUTES – 18 June 2025

1. Minutes and matters arising from the 17 March Audit and Risk Committee

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

2. Year-end - audit and assurance

a) Accounting matters and briefing on lease accounting

- 2.1 The Committee discussed the year-end process as a whole and recognised that the process had worked much more smoothly than the prior year thanks to diligent effort from all the teams involved; a smooth process increasing the level of confidence in the document. The NAO concurred and would provide specific points for attention in their management letter and the Executive would work with them on implementing these.
- 2.2 Significant accounting judgements and estimates were discussed.
- 2.3 The Committee were also briefed on the handling of lease accounting for London Broadcasting House, through Daunus Ltd.

b) Internal audit assurance of ARA data assertions

- 2.4 The Committee were briefed on the extensive work undertaken by Internal Audit to assure data points and assertions made in the front half of the Annual Report. The work was substantially complete and no major errors had been found. The report was noted.

c) Regularity review

- 2.5 The Committee noted the annual assurance on regularity and propriety, which included disclosure of the fine arising from the Competition and Markets Authority's review into sport production. The fine had been considered and the handling agreed by the NAO, who viewed it as irregular but not material and adequately disclosed.

d) Internal audit annual report

- 2.6 The Committee reviewed a report from Internal Audit providing an overall assessment of the control environment in the BBC and their rationale for this. It was agreed that the assessment would be conducted again for the next year but would ultimately be overtaken by the work on a declaration of controls.

3. Annual Report and Accounts

a) ARA overview

b) ARA narrative sections: COO report, Sustainability disclosures and ARC report

c) ARA Risk report

d) Going concern and viability statements

e) Fair Trading assurance report

- 3.1 The Committee reviewed the latest draft of the Annual Report and Accounts, noting that certain areas were subject to sign off by other Committees and their chairs. The overall structure of the report was noted along with the assessment from management that the report was fair, balanced and understandable. It was agreed that specific comments made in writing would be picked up offline. The sections were noted, including the COO report. The ARC report was noted, along with the risk section, which reflected the revised view of risks agreed during the year. The sustainability disclosures were noted.
- 3.2 The Committee discussed the analysis supporting the statements on going concern and viability. The Fair Trading assurance report was noted with the Chair having met with the Deloitte team and been assured there were no significant issues.

4. NAO Audit completion report on the 2023/24 financial statements audit and LF trust statement

- 4.1 The Committee reviewed the NAO's comprehensive audit completion report. Issues remained to be resolved around tax and the Committee were briefed on consolidation and tax work, also noting the heavy reliance on manual processes and controls in accounts preparation. This was an area of focus for improvement. Audit work on the cashflow statement was also being finalised.
- 4.2 The positive working relationship between NAO and BBC management teams was noted and welcomed and it was expected that an unqualified opinion would be given by the expected date. A debrief on the audit and the management letter would take place in due course and this would consider the level of adjusted and unadjusted audit identified error rates seen in the work. The Committee noted the findings set out in the report, including the BBC Group extended auditor's report, Trust Statement audit certificate, draft letters of representation, proposed Section 2 report on the Trust Statement and draft assurance opinion on pay disclosures. The Committee also confirmed there were no known risks of residual material misstatement from fraud or error in the accounts and agreed that the unadjusted misstatements set out did not need to be corrected as they were not material individually or in aggregate.

- 4.3 On the basis of this, and the discussions above, the Committee agreed to recommend the Annual Report and Accounts to the Board for signature. Subject to the Chair of the Committee reviewing any final changes made to the document.

5. Licence Fee Trust statement 2024/25

- 5.1 The Committee reviewed the Trust Statement report for 2024/25. The audit of the statement was substantially complete and progressing well. The NAO Section 2 report was being finalised subject to final review of evasion figures. An unqualified audit opinion was expected. The Trust Statement was approved on behalf of the Board.

6. For approval:

a) BBC Group modern slavery statement 2024/25

- 6.1 The statement was approved by the Committee, on behalf of the Board, for signature and publication. Work to embed the process with indies was noted.

b) DCMS assurance letter

- 6.2 The draft response to the DCMS was approved.

c) Fair Trading reporting materials

- 6.3 The Committee noted the documents that were required to be published annually as part of the Ofcom trading and separation regime, as well as the external assurance report on compliance, controls and processes. The Committee approved a delegation to the Controller, Regulation to finalise and submit the documents.

7. Bullying and Harassment actions update

- 7.1 The Committee were briefed on progress with the response to actions arising from an external review of bullying and harassment case management processes. The work had been combined with a subset of actions arising from the recent Respect at Work review and was being managed as a single project. Engagement with the unions on the issue was noted and the Committee welcomed the activity underway. An update on progress would come to the next meeting and a view would be taken offline about the best way, and best route, to report actions from this work and from the broader Respect at Work review.

8. Transformation portfolio and projects overview

- 8.1 The Committee discussed the latest project portfolio. Work to review and propose a cadence of deep dives for ARC and Board to ensure effective project coverage would be undertaken and discussed in the next report. The report would also include an overview

of resource impacts and risks arising from major change programmes. The Committee noted the report and proposed changes to the structure of the portfolio.

9. Update on cyber risk appetite and cybersecurity activities

- 9.1 The Committee were briefed on the latest position in terms of cyber risk and discussed the level of risk appetite around cybersecurity issues. The risk appetite position was noted and supported, with a need to continue to support a strong response and recovery function.

10. AOB

- 10.1 There were no other items of business.