



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

### **SUMMARY MINUTES**

Tuesday 8 July 2024

Old Broadcasting House and by video conference

#### **ITEMS OF BUSINESS**

1. Committee business
  - a) Apologies and conflicts of interest
2. Risk deep dive session
  - a) Update on preparation for 2027 Board controls declarations
  - b) Overview of Risk Management and Internal Controls
  - c) 2024/25 proposed principal risks
  - d) BBC approach to risk appetite
3. Risk and compliance quarterly report
4. InfoSec risk update
5. Projects and assurance
  - a) Transformation portfolio report
  - b) Project assurance report
  - c) East Bank update
6. AOB

## ATTENDANCE

### *Members:*

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

### *Board members present:*

- Samir Shah Chairman (items 1-2)
- Tim Davie Director-General
- 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
- Chris Sandford Head of Governance (secretary)
- Gurdip Ryatt Head of Risk (item 2,3)
- Martyn Freeman COO, Studios (item 2)
- Helen Johnson Head of Risk, Studios (item 2)
- Holly King Group Financial Controller (2a,b)
- Simon Adair Director, SSR (item 2a)
- Huw Jones Head of Finance Delivery (2a)
- Helen Rabe CISO (item 4)
- Sinead Greenaway Director, B&EUT (item 4)
- Eddy Datubo Director, Ops and Transformation (item 5)
- David Pembrey COO, Content (item 5c)
- Peter Tansley Director, Internal Audit (item 5)

## AUDIT AND RISK COMMITTEE SUMMARY MINUTES – 8 July 2024

### 1. Apologies and conflicts of interest

- 1.1 The Chair welcomed members to this ad hoc meeting, focusing on risk issues. There were no new conflicts of interest. Minutes from the prior meeting would be approved at the next session.

### 2. Risk deep dive session

#### *a) Update on preparation for 2027 Board controls declarations*

- 2.1 The Committee were briefed on work being done to prepare for new Corporate Code requirements coming into effect for the BBC in 2027. The Board would be required to make a declaration, for the Group, in respect of risk management and internal controls. This was a new requirement and the Committee noted that the process should principally be a catalyst for improving the BBC Group's risk management processes, helping to manage the business better, rather than just producing a declaration.
- 2.2 The Committee discussed the approach being taken to identify, agree and test principal controls for each of the risks. This would include an assessment of the design of the key controls and a dry run of the testing of their operational effectiveness in 2025/26, before implementation in 2026/27. It was agreed that the issue needed to be managed closely across the Group as it would be a single group-wide declaration. Briefings for the ExCo, Board and Commercial Board would be arranged, setting out the process and accountability required of Directors.
- 2.3 An overview of the proposed draft of the principal inherent material risks was noted along with the process by which these had been defined, based on FRC categorisations. The Committee discussed the list and agreed that work would be done to refine it further.
- 2.4 The Committee also noted work done to define key financial risks and controls, for further review and refinement. This process provided a good opportunity to drive improvements in financial control processes. The Committee noted the briefing and would discuss the proposed risks again, subject to the points raised and following further Executive review.

#### *b) Overview of Risk Management and Internal Controls*

- 2.5 The Committee were given an overview of controls processes across the BBC, noting a cultural shift over recent years toward greater individual accountability. Good progress had been made in this area, with more to be done to embed the principle throughout the organisation. Work to consolidate and streamline corporate policies was noted and

welcomed. The Committee noted the overview and agreed there was a need to keep alignment of processes across the Group under review.

*c) 2024/25 proposed principal risks*

- 2.6 The Committee noted the list of proposed principal risks, which would be revised further following the points raised in discussion.

*d) BBC approach to risk appetite*

- 2.7 The Committee were briefed on the overall approach to monitoring risk appetite and also discussed an example of the process, on high risk deployments. The approach to setting appetite was benchmarked against industry and was kept under review by the Operations Committee. The Committee noted the overview and agreed that deep dives on different risk appetite areas would be brought to each meeting in future.

**3. Risk and compliance quarterly report**

- 3.1 The Committee discussed the quarterly report. Changes in the portfolio were noted, and the position overall was stable. It was agreed that future reports would also give detail of risks trending downward as well as upward. An assessment of bullying and harassment case trends would come back to the Committee, following discussion at the Executive. The report was noted.

**4. InfoSec risk update**

- 4.1 The Committee were briefed on the latest assessment of cyber and information security risks. An overview of activity to support the General Election was noted and the Committee thanked teams who had delivered resilience. The response to a recent data incident involving the BBC Pension Scheme was noted and work was underway to independently assure third party processes. The Executive would brief the Committee on work to address insider threat risks at the right time. The Committee noted the update and asked for a briefing on AI risks in the next report.

**5. Projects and assurance**

*a) Transformation portfolio report*

- 5.1 The Committee noted the latest portfolio report and the status of key projects. Actions to address resourcing risks for the D&I project were noted, with a need to consider when the work might transfer to BAU in the future. The Transformation Office would also consider the future shape of the portfolio.

*b) Project assurance report*

- 5.2 The latest project assurance report was noted. Reviews of the D&I project and the work on international controls had been completed. It was agreed that overdue project assurance actions would be reported alongside the quarterly internal audit actions, as appropriate.

*c) East Bank update*

- 5.3 The Committee were briefed on the latest status of the project, risks and mitigating actions. The current financial and legal position were noted. A detailed update and assurance would come for discussion before the end of the year.

**6. AOB**

- 6.1 There were no other items of business.