

Audit and Risk Committee Annual Report - 2024/25

Purpose of the Annual Report

The Audit and Risk Committee (ARC) is required to provide Council with an annual report which must be approved by Council prior to the audited financial statements being signed.

The Annual Report to Council is prepared in accordance with the *CUC Higher Education Audit Committees Code of Practice (May 2020)*. Element 5 of the guidance states that, the annual report should include the Committee's opinion of the adequacy and effectiveness of the institution's arrangements for risk management, control and governance, sustainability, economy, efficiency and effectiveness (value for money) and the quality of data submitted to regulatory bodies.

ARC forms its opinion from regular discussions with the President and senior management, and engagement with the work of internal audit and external audit.

ARC also receives, as part of the OfS Terms and Conditions of Registration an Annual Report from the Internal Auditor.

Council should be informed by the ARC Annual Report before it approves the members' responsibility statement in the annual Financial Statements.

Membership, Meeting Dates, Attendees, Terms of Reference

Details of the current membership of ARC, meeting dates and attendees are attached at Annex 1.

For the financial year ended 31 July 2025, ARC was chaired by Professor Robert Allison, an independent member of Council, and the Committee Secretary was Dr William Jordan, University Secretary. In September 2025, Damian Reid was appointed chair of ARC and Charlotte Martin became the Committee Secretary.

The Committee reviewed its terms of reference at its September 2024 meeting and ARC also regularly approves a Calendar of Business to ensure that all relevant matters in its terms of reference are covered in the annual cycle of meetings. ARC also reviewed its terms of reference at its September 2025 meeting and is currently in the process of amending its terms of reference which will require the approval of the Corporate Governance and Nominations Committee as well as Council.

Internal Audit

For the year ended 31 July 2025, the Internal Audit department is an in-house service staffed by a Director and three Senior Internal Auditors (3.2FTE), supported by the co-source partner KPMG. Since the financial year end, an additional auditor has joined the in-house Internal Audit team. ARC remains of the view that the current in-house service, supplemented with specialist resource where necessary, is appropriate and the level of resourcing is adequate.

The Director of Internal Audit's (DIA's) Annual Report details the internal audits undertaken during the year ended 31 July 2025. **The Director of Internal Audit has given an audit opinion in his report that City has adequate and effective arrangements for**

governance, risk management and internal control, including arrangements for promoting value for money in delivering its activities and assuring the quality of data submitted to funding bodies adequate and effective systems over Risk Management, Control, Value for Money and Governance. The Director’s overall opinion is informed by his opinion on the management control and quality assurance of data provided to the OfS, HESA and other public bodies, which is that these arrangements are **effective, with the exception of weaknesses identified in the framework** (see Appendices C in his Annual Report to ARC).

Internal Audit delivered 610 audit days (610 previous year) via the in-house team plus additional reviews completed by KPMG. It produced 27 reports and 115 recommendations. A summary of all internal audit reports is presented to ARC, together with a full report for those providing “Limited” assurance.

Level of assurance	No of Reports	Category of recommendation	Number of Recommendations	
Limited	5 (1)		Priority 1	16 (1)
Acceptable	13 (13)		Priority 2	73 (36)
Substantial	2 (3)		Priority 3	26 (14)
		Total	115 (51)	

Note: Comparative figures for the previous year are shown in brackets

The Limited assurance reports covered the following areas:

- DPIA
- Catering and Cleaning Contract Management
- H&S (Tooting)
- IT Service Desk (Tooting) and
- Repairs and Maintenance.

This Limited assurance reports were considered in detail by ARC, together with the management responses to them. The Audit Plan for 2025-26 includes follow-up work by the Internal Audit team to ensure that the recommendations identified to improve controls are in hand in each case.

The following recommendations remained outstanding at the September 2025 ARC meeting:

Year	Total	Outstanding		Overdue		Closed			IA Verified
		Not Started	In Progress	Not Started	In Progress	Pending	On Time	Overdue	
2022/2023	83	-	-	-	2	-	5	26	50
2023/2024	65	-	3	-	1	-	13	39	9
2024/2025	111	65	13	3	7	-	4	19	-
	259	65	16	3	10	-	22	84	59

Assurance from the President on Internal Controls

In September 2025 ARC received a statement from the President providing assurance on the effectiveness of internal controls for the 2024/25 financial year.

There were no cases in which a conclusion of 'not satisfied' was reported, although three of these offered qualified statements of satisfaction together with the identification of specific control weakness. In all cases, the President reported that action was being taken or would be taken to address the weaknesses highlighted and that they therefore did not detract from his ability to offer the statement of assurance given below.

The President wrote: "To my knowledge and based on (i) advice I have received from those assigned responsibility for managing risks and the risk system, (ii) other sources of assurance and subject to the matters referred to above, I am not aware of any significant internal control problems for 2024/25".

No further control issues have been identified at City or notified to ARC following the receipt of the President's report.

External Audit

The group statutory audit fee was £274,000 (plus VAT) for 2024/25. PWC were also engaged in non-statutory services during the year with a value of £21,000 (plus VAT).

The Committee received and considered the External Auditor's Report (including a draft letter of representation) at its meeting on 17 November 2025. **The External Auditors, PWC, reported an unqualified audit report** and that the audit process had been conducted well by City St George's. PWC had reviewed and were satisfied with the Corporate Governance Statement and the Public Benefit Statement. PWC intend to issue an unqualified report for The Eleanor Peel Chair of Geriatric Medicine, City Entrepreneurship Limited and City Foundations Limited, the only three subsidiaries of City St George's.

The Chief Financial Officer, on behalf of the Executive Committee, has assessed whether City St George's is a going concern with reference to its financial plan. Particular note has been taken of the need to ensure the assessment is proportionate to the size and level of financial risk and complexity of the organisation. The review covers a 12-month period from the date of signing the financial statements and concludes that there are no material uncertainties that cast significant doubt about the ability of City St George's to continue as a going concern.

We have a positive balance of cash and current investments of £47.0M at the balance sheet date and a comparatively small level of external borrowing of £72.7M. Sources of income for the year ahead have been largely secured through grant income from funding bodies, contract income from the NHS and tuition fees from registered students. The cash flow forecast for the next 12 months reveals positive cash balances throughout this period. We have no liabilities, contingent or otherwise, that would pose a threat to our operation in the coming year. The Statement of Council's Responsibilities and the Corporate Governance Statement summarise the arrangements we have in place for the identification and management of risk.

Taking all of the above into account, we have a reasonable expectation that adequate resources exist to continue operations for the next 12 months and the going concern basis continues to be appropriate for preparing the annual financial statements.

The 2024/25 Financial Statements incorporating the Statement of the Responsibilities of City St George’s Council were considered by ARC on 17 November 2025. The Committee agreed to recommend them to Council for approval.

The Committee also draws attention to contents of the Letter of Representation and recommends it to Council for signing.

Risk

City St George’s Risk Register reflects its commitment to the delivery of its strategy and a consideration of the full range of factors that could impact adversely on City St George’s achieving its strategic goals.

ARC reviewed City St George’s revised Strategic Risk Register in November 2024 and June 2025. In each case, ARC’s review followed a review of the risk register by the Executive. With ARC now operating a rolling programme of Strategic Risk Register reviews as part of its regular business, the Internal Audit Service now undertakes a rolling review of School risk register reviews.

There is one red risk after mitigation which is Risk 16, Cyber security. This risk is owned by the Chief

Information Officer, and led by the Deputy CIO, the owner statement provides the rationale for the increase in cyber risk post-merger. This risk has been assessed as a post-control risk score of 21, from a pre control unmitigated risk score of 28. In October 2025, Council approved an investment of £3.2m in IT infrastructure which, by July 2026, is expected to have reduced the level of prevailing cyber security risk identified in the Strategic Risk Register.

The Committee also continued the practice of meeting the President, Deputy President and COO privately at the start of meetings to allow a discussion of risk and other issues. These discussions with the President, Deputy President and COO were not minuted so they could express themselves as freely as possible. The President assured ARC that strategic risks were the key items addressed and discussed regularly by his SLT (Senior Leadership Team) and filtered through to Schools and Professional Service departments.

School risk registers have been aligned with institutional Strategic Risk Register. There are a number of common themes across the Schools, including the challenges of quality constrained growth (recruitment and space), student progression, student satisfaction, REF performance and compliance.

Below is a table summarising the ‘most prevalent’ risks and headline pre and post control risk scores (sorted in descending order by post-control risk score) current distribution of Red, Amber and Green post-control risks:

Risk Category	Risk Owner	Risk Lead	Risk Title	Pre-control Risk Score	Post-control Risk Score
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08 Infrastructure - IT & Estates	Jots Sehmbi	Eric McIntosh	Risk 16 - The risk that CSG fails to manage the range of cyber security threats which permits the loss of data, thereby impacting our reputation and potentially resulting in financial loss.	28	21
12 Compliance incl. H&S	Helen Watson	Zara Laing	Risk 18 - Health & Safety – that we expose staff, students and others to major health and safety risk	21	14
02 Organisation	Helen Watson	Dominic Davis	Risk 4 - Major Incidents and Business Continuity – that we are unable to manage major incidents and sustain our business in the context of sudden and unplanned disruptions.	21	14
08 Infrastructure - IT & Estates	Helen Watson	Jots Sehmbi	Risk 5 - Business System Failure – that critical business systems or processes become inoperable affecting, in particular, recruitment, admissions or assessment.	28	14
03 Finance	Matthew Swales	Dominic Davis	Risk 13 - Financial Margin – that we do not generate sufficient margin & effectively align resources to maximise our strategic objectives	28	14
03 Finance	Juliet John	Tim Longden	Risk 14 - Our student recruitment fails to meet the target in the joint financial plan	44	14
01 Education & employment	Susannah Quinsee	Sian Thurgood	Risk 1 - Student Wellbeing – that we fail to adequately safeguard and promote student wellbeing.	16	12

Governance

ARC's opinion on corporate governance was informed by the review of Council Member scheme of delegation.

Council is actively and appropriately exercising its governance role, going beyond mere endorsement of executive decisions. A review of minutes and papers from 2023/24 and 2024/25 confirms that Council is fully discharging its retained responsibilities under Ordinance B.1.

The documentation reflects consistent engagement, strategic oversight, and governance across all mandated areas. Management is operating within its delegated authority, and decisions made under those powers are transparently reported to Council, although earlier involvement of Council in the development of proposals would enhance strategic input and avoid retrospective endorsement. Council has also demonstrated adaptability in refining its processes to meet the evolving needs of the newly merged institution.

Value for Money

In forming its opinion about the adequacy and effectiveness of City St George's work on economy, efficiency and effectiveness this year, ARC has been primarily informed by the work of the internal audit programme, which has considered the economy, efficiency and effectiveness of City St George's systems through the course of an internal audit programme which has been delivered in full notwithstanding the minor exceptions detailed in the annual report. The internal auditor's annual report gives a positive opinion on value for money (VfM) at City St George's.

In determining its recommendations as to whether City St George's provides VfM, Audit & Risk Committee has been able draw on a range of indicators and contextual information

within the Annual VFM report, including those relating to teaching quality/outcomes, together with reference to projects and initiatives intended to impact positively upon future VfM at City St George's.

Management and quality assurance of data submitted to HESA and HEFCE

In discharging its obligations for the management and quality assurance of data submitted to HESA and the OfS, the Committee received the Data Quality Assurance Framework in September 2024 as part of the Director of Internal Audit's Annual report. This was the basis of the opinion that the systems were ***effective with the exception of the weaknesses identified in the framework.***

The DIA opinion in relation to the management control and quality assurance of data provided to the OfS, HESA and other public bodies is based upon direct corroboration with management and the findings and recommendations from the following audits:

- DPIA
- OFS Data Returns Oversight
- Student Records Management
- Moodle Data Retention

Fraud

In 2015, the Director of Internal Audit in conjunction with the Chief Financial Officer established the Fraud Risk Working Group.

The aim of the Fraud Risk Working Group was to promote greater awareness of fraud risks at City St George's and encourage a counter fraud culture to identify and promote good practice initiatives, both existing and new. The membership of the Fraud Risk Working Group consists of relevant senior staff from each business area (Finance, HR, Procurement, Estates, IT, Registry and Internal Audit). The Group is chaired by the Chief Financial Officer.

The Fraud Risk Working Group provided assurance to ARC that:

- There is a growing counter fraud culture at City St George's.
- Fraud risk assessments have been completed for each business area.
- Fraud risk owners have provided assurances at each meeting that fraud risk is being managed.

In addition, the Fraud Risk Working Group has enabled the cross-business area discussion of common fraud threats and enabled fraud risk owners to take actions within their business areas to highlight and to raise awareness of fraud within the HE sector.

Health & Safety

ARC received an interim Health & Safety Report in June 2025, and at its meeting in November 2025 received the annual Occupational Health and Safety Report for City St George's, University of London (City St George's), covering the period from 1 August 2024 to 31 July 2025.

It was reported that the Clerkenwell & Moorgate and Tooting campuses are operating separate data collection systems and processes until the completion of the University's IT system policies and procedures integration.

The new Health, Safety and Wellbeing Policy was approved in February 2025, published on internal and external websites in March 2025 and announced to staff in all staff newsletters. The policy requirements have been communicated to key stakeholders and to the roles with specific responsibilities that were identified within the policy document. The policy has established a unified reporting line for health, safety and wellbeing governance via the Health, Safety and Wellbeing Committee and its sub-committee structure. It has also resulted in the decommissioning of the legacy

St George's School Safety Management Committee and the establishment of a new school-level Health, Safety and Wellbeing Committee, operating as a sub-committee of the University Committee.

ARC was advised that fire safety risks have been managed across the University through the completion of building specific fire strategies and a scheduled programme of building fire risk assessments at the Clerkenwell, Moorgate and Tooting campuses. All buildings used and managed by City St George's have up-to-date building fire strategies and fire risk assessments, with clearly defined review schedules.

During the reporting period, due diligence checks were carried out at City St George's nominated student accommodation in Clerkenwell and Moorgate. The Safety Office was satisfied with the fire safety arrangements in these accommodations. However, during the diligence checks carried out in September 2025, incomplete summer construction work at one of the Unite properties, which had taken one of the staircases out of use as an escape route, was escalated within the Unite management structure and resolved before the students moved in. Fire risk assessments for Horton Halls also continued in accordance with the code of practice established by Universities UK.

Action plans arising from the Horton Halls assessments were developed by the Health and Safety Team at the Tooting Campus. These plans were communicated to all relevant parties responsible for their implementation. In addition, as part of the Estates Compliance Improvement Programme (ECIP) and the Intervention Plan, significant fire safety improvements were delivered in Horton Halls, but details are not included in this report as Audit and Risk Committee will receive a separate ECIP report from the Director of Estates, Environment and Facilities.

Following the completion of Clerkenwell and Moorgate fire drills, individual building emergency evacuation plans were reviewed and updated accordingly. Both Fire Safety Advisers at the Clerkenwell & Moorgate and the Tooting campuses left City St George's towards the end of the reporting period. An interim replacement commenced in post on 4 August 2025. The Health, Safety and Wellbeing audits and inspections programme continued across all campuses during the reporting period.

In addition, specialist and statutory audits were conducted by Radiation Protection Advisers, providing a high level of assurance. Where improvements were identified, they are being implemented with support from the Health and Safety Teams based at the Tooting, and Clerkenwell & Moorgate campuses.

With regard to incidents and accidents, there was one RIDDOR-reportable (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) injury at the Clerkenwell Campus during the reporting period. As the incident involved a contractor, it was reported to the Health and Safety Executive by their employer. A thorough investigation concluded that there was no liability on the part of City St George's.

Additionally, three other significant incidents occurred. While these did not result in serious injuries, they prompted comprehensive investigations and provided important learning

opportunities. Details of these incidents, along with other notable incidents at the Tooting site, were provided to ARC in the annual H&S report.

During the reporting period, the NHS Occupational Health Service (Tooting), Cordell Health Occupational Health Service (Clerkenwell & Moorgate), and the in-house counselling services and employee assistance programmes provided by Vivup supported the health and wellbeing of staff. These services also contributed to medical and health sciences students' fitness-to-practice assessments and the administration of mandatory vaccinations.

ARC was informed that the Health and Safety Risk on the University's Strategic Risk Register was reviewed as part of the Strategic Risk Register report. This review had taken into account the implementation of the new policy, the strengthened governance structure, the ongoing ECIP and Intervention Plan at the Tooting Campus, and the effective operational controls in complex research laboratories, technical spaces and teaching environments, the overall risk rating was reduced from 21 (high) to 14 (medium).

In conclusion, CSG remained compliant with the UK health and safety legal requirements and effectively addressed incidents, while continuing to make ongoing improvements to its health and safety management systems, structures, and processes, in line with the plan-do-check-act management model.

Effectiveness Review

The Audit and Risk Committee's annual effectiveness review, which is typically conducted each year, has been postponed for the current cycle. This decision was made to allow the Council Effectiveness Review to take place without overlap. The Council review is currently underway and will report formally in February 2026. ARC will then consider any relevant recommendations arising from that review at its March 2026 meeting. The standard committee-level effectiveness review is scheduled to resume in June 2026, alongside a review of training provision.

Audit and Risk Committee Opinion

Audit and Risk Committee hereby give Council assurance that City St George's arrangements for risk management, control, governance, value for money and management & quality assurance of data are Adequate and Effective. Where there were issues, they were not material to this judgment and they were in the process of being addressed.

Audit and Risk Committee 2024/25

Membership	Name
The Chair of the Committee shall be appointed by Council, from amongst the Council members who are members of the Committee	Professor Robert Allison (until August 2025) Mr Damian Reid (from September 2025)
The Committee will consist of no fewer than four members. At least three members shall be members of Council. The remaining members may be co-opted and appointed for their relevant expertise. At least one member of the committee should have recent and relevant experience in finance, accounting or auditing. The Chair of Council should not be a member of the Committee.	Mr Richard Shaw (co-opted)
	Mr Sandeep Das (co-opted)
	Mr Anant Prakash
	Ms Rachel Lock
	Mr Godfrey Allen
In attendance	Name
Dr William Jordan	University Secretary
Ms Sarah Lawton	Secretary
Professor Sir Anthony Finkelstein	President
Professor Elisabeth Hill	Deputy President and Provost
Mr Matthew Swales	Chief Financial Officer
Ms Helen Watson	Deputy President (Operations)
Mr David Hagger	Director, External Audit, PWC
Mr Steve Stanbury	Director of Internal Audit

Meeting Dates and Attendance

Members	Meeting 23.09.24	Meeting 18.11.24	Meeting 03.03.25	Meeting 16.06.25
Professor Robert Allison (Chair)	✓	✓	✓	✓
Mr Godfrey Allen	✓	✓	✓	✓
Mr Sandeep Das	T	✓	T	A
Ms Rachel Lock	A	✓	T	✓
Mr Anant Prakash	T	✓	✓	A
Mr Richard Shaw	T	✓	✓	✓

A = Apologies, P = Attended for Part of the Meeting, ✓ = Attended, T = Attended electronically, N/M= Not a member

Terms of Reference – Ordinance C.2, can be found at:

[City St George's Ordinances • City St George's, University of London](#)