



## BOARD OF MANAGEMENT AUDIT & RISK COMMITTEE MEETING

Minute of the Audit & Risk Committee meeting held on Tuesday 18 September 2018 at 5.00pm in Room A214, Kingsway Campus.

**PRESENT:** G Robertson (Chair) T Pirie  
M Williamson P Milne  
M Thomson

**IN ATTENDANCE:** C Blake (Vice Principal)  
S Taylor (Vice Principal and Secretary to the Board)  
D Archibald (Henderson Loggie)

### 1. WELCOME

G Robertson welcomed members of the Audit & Risk Committee, and welcomed Michael Thomson to his first meeting.

### 2. APOLOGIES

Apologies were received from S Watt and C Hislop (Audit Scotland).

### 3. DECLARATIONS OF INTEREST

There were no declarations of interest.

### 4. MINUTE OF AUDIT COMMITTEE – 15 MAY 2018

The minute of the Audit Committee meeting held on 15 May 2018 was approved as a correct record.

### 5. 5.1 Matters Arising

#### GDPR

M Williamson asked that the Committee receive regular updates on any breaches of data security/data protection. This was agreed and it was agreed that information on the reporting arrangements for data breaches would be copied to Committee members.  
**C Blake to progress.**

#### Cash Values

C Blake noted that the annual value of cash handled was c.£1.2 million with the majority of this taken through the canteen facilities. It was noted that this value was likely to decline following the introduction of contactless payment systems.

#### Internal Audit Contract Extension

C Blake confirmed that this had been progressed. A query on the detail of the notification of this was noted and C Blake/D Archibald would discuss.

## **Asset and Fleet Management**

C Blake stated that there was not a lot more to report on from the previous meeting, but that work was progressing to finalise the central asset register, with the data capture work for this progressing as planned.

The timescale for this work was discussed and it was agreed that a clear timescale would be set (relative to the audit report recommendations) and further progress reported at the next meeting. **C Blake to progress.**

## **6. STRATEGIC RISK REGISTER**

G Robertson noted the risk register and stated that he wanted to focus on the risk areas that remained as amber or above post mitigation.

G Robertson stated that this also linked into the Audit Scotland report on Scotland's Colleges and the positioning of D&A College in terms of the underlying operating position.

G Robertson stated that he was concerned that there was a lack of visibility in terms of this underlying position.

C Blake summarised the discussions held on this at the Finance and Property Committee, and noted that it was awareness of this position that underpinned the Financial Strategy and the work completed on recent savings plans.

M Williamson asked if this discussion had identified anything additional required in respect of College strategy. C Blake noted that it had not, and that the information underpinning the report had been known to the College and the only surprise was the relative position of others in the sector. Arrangements to seek to better develop benchmarking with other colleges were discussed.

The importance of the income per full-time equivalent staff measure was discussed and opportunities to improve this ratio, and to make progress on this and other sustainability measures more visible were discussed.

The links between information and metrics provided to each Board Committee were discussed, and concerns around how these were visible to all Board members noted.

It was noted that the paper and actions arising from this would be discussed at the full Board. This was welcomed

The positioning of the College in respect of learner performance within the Audit Scotland report was discussed, and S Taylor advised that this had been queried with Audit Scotland as it did not match with SFC published performance indicator data. It was noted that Audit Scotland had revised the data but it was not fully clear why this had been done.

Risks in respect of industrial relations matters were discussed and it was agreed that the risk in respect of Brexit (1.3) should be updated to reflect potential staffing risk for EU national staff should there be a 'no deal' Brexit outcome. **S Taylor to progress.**

The updated register was approved.

## **7. INTERNAL AUDIT REPORTS**

### **Workforce Planning**

D Archibald summarised the report on workforce planning and the range and scope of the audit work undertaken relative to the CIPD standards and Audit Scotland recommendations.

D Archibald confirmed that the outcome of the audit was ranked as good, with no recommended actions. It was stated that this was an unusual outcome and reflected the standard of the work undertaken. D Archibald stated that this was not common in other organisations where similar reviews had been undertaken.

D Archibald stated that there was evidence of longer term planning for staff numbers and skills profiles relative to a range of College strategies and criteria. It was noted that the report highlighted good integration across a number of strategies, including the financial strategy and curriculum review looking forward over 2018/19 and 2019/20.

The report was approved.

### **Follow Up Reviews**

D Archibald summarised the report produced, highlighting that this provided information on actions taken in respect of recommendations arising from previous audit reports. He advised that overall progress was good, with 16 from 20 recommendations completed in full, 3 partially implemented and 1 still outstanding.

D Archibald stated that the 1 outstanding action related to procurement and had been delayed due to the overall project delay on implementation of the 'P2P' system.

C Blake noted that the Follow-up Review report built on the College's on follow-up tracking arrangements and reporting.

Concern was noted at the partial implementation in respect of space utilisation surveys given the importance of space considerations for campus redevelopment and required cost savings. C Blake stated that there had been a large number of recommendations to be implemented in terms of space utilisation, and that was the final piece of the 'jigsaw' to be progressed.

The importance of effective space utilisation was discussed alongside the need to carefully plan these needs for the future.

The report was approved.

### **Audit Progress Report**

D Archibald noted that all audit work from the 2017/18 plan was on track, with the final credit and student fund audits to be brought to the next meeting.

### **Audit Plan 2018/19**

D Archibald summarised the proposed audit plan, noting that this followed the audit strategy and needs assessment agreed in May 2018. The plan fleshed out the timescales and scope for each of the proposed audits.

The plan was discussed and the scope and timing of the range of audits confirmed. S Taylor confirmed that the scope of the Equality and Diversity audit appropriately reflected the range of demands and reporting placed on the College and confirmed that there was no issue in terms of conflict/duplication between the planned audit on Students' Association/Learner Engagement and the work undertaken with Education Scotland.

The planned audit on Risk Management and Business Continuity was discussed and G Robertson asked if this would consider different approaches to risk management. D Archibald stated that it could, and noted approaches where risks were split up between different Board Committees. This input was welcomed.

Risks around Brexit were discussed and C Blake highlighted the likely drop of c3,400 credits in 2022/23 as a result of the loss of ESF funded credits, and work being undertaken to incorporate this into financial and workforce planning. D Archibald stated that he was aware that a number of organisations were developing more specific risks around Brexit as the EU leave date gets closer.

The audit plan was approved. **Henderson Loggie to progress.**

## 8. EXTERNAL AUDIT

C Blake advised that fieldwork for the external audit would commence on 24 September and that productive discussions had been held to prepare for this.

C Blake advised that there was no further update in terms of the accounting treatment of the D&A Foundation.

## 9. OTHER BUSINESS

G Robertson reported that an issue had been raised via the Finance and Property Committee with regard to adherence to the terms of the financial regulations for a significant ICT purchase. It was noted that this matter had been referred to the internal auditors to review and that an additional meeting of the Committee may be required over the coming weeks to consider the report arising from this. **S Taylor to progress.**

## 10. DATE OF NEXT MEETING

Tuesday 27 November 2018 **at 4.00pm in Room Y150, Gardyne Campus** (Joint Meeting with Finance and Property Committee).

### **Action Point Summary**

<b>Action</b>	<b>Responsibility</b>	<b>Date</b>
Data breaches to be reported to Committee.	C Blake	27 November 2018 and on-going
Data breach reporting procedure to be shared with Committee members	C Blake	30 September 2018
Update on actions in respect of Asset and Fleet Management audit findings	C Blake	27 November 2018
Risk Register to be updated	S Taylor	27 November 2018
Audit Plan to be progressed	Henderson Loggie	27 November 2018
Additional Committee meeting to be organised	S Taylor	30 September 2018