BOARD OF MANAGEMENT

Audit and Risk Committee Meeting

Tuesday 12 May 2020

Draft confirmed by Chair

Minute of the Audit and Risk Committee meeting held on Tuesday 12 May 2020 at 5.00pm via Microsoft Teams.

PRESENT:	G Robertson (Chair)	H Honeyman
	M Williamson	M Thomson
	K Keay	T Pirie

IN ATTENDANCE:	J Carnegie (Vice Principal)	
	S Taylor (Vice Principal and Secretary to the Board)	
	D Archibald (Henderson Loggie)	R Smith (Audit Scotland)
	T D'All (Principal's/Board Chair PA)	A Ross (Head of ICT)

1. WELCOME

G Robertson welcomed members of the Audit and Risk Committee.

2. APOLOGIES

Apologies were received from P Milne

3. DECLARATIONS OF INTEREST

G Robertson noted he is Chair of Gardyne Theatre Limited. D Archibald noted an interest in respect of the award of the Internal Audit Contract.

4. MINUTE OF AUDIT AND RISK COMMITTEE – 26 November 2019

The Minute of the Audit & Risk Committee meeting held on 26 November 2019 was approved as accurate.

5. MATTERS ARISING

Duty of Care (Safeguarding) – This had not yet been progressed, but would be picked up at the Human Resource and Development Committee meeting in September 2020.

Encryption of BOM Paper – discussion with BOM Chair concluded that this is minimal risk as papers are required to be published as public documents and are covered under freedom of information requests. H Honeyman intimated that she still had reservations and asked that her concerns be noted. This was discussed and M Williamson and D Archibald noted that they felt that the risk and need to encrypt was minimal.

A range of approaches were discussed and it was agreed that establishing a Board Teams site for the sharing of papers would be investigated. **S Taylor to progress.**

Evaluation of Risk Allocated to Each Committee – evaluation to be undertaken and reported at the September 2020 Audit & Risk Committee. **G Robertson to progress.**

6. **STRATEGIC RISK REGISTER & COVID-19 RISK REGISTER**

S Taylor noted the Risk Register documents, highlighting the range of Risk around COVID-19 discussed with the Chairs Committee and considered so far by the Learning, Teaching & Quality and the Human Resource & Development Committees. The paper will also be presented to the Finance & Property Committee at their next meeting.

S Taylor confirmed that the Cyber Security element of the Risk Register had been taken forward with workstreams completing their work including confirmation that all business critical documentation had been recovered or recreated where necessary.

Discussion took place around future and scenario planning and recovery after COVID-19 lockdown. S Taylor confirmed an initial draft a paper had been discussed with the Chairs Committee and would be further updated and brought to the full Board in June 2020.

On the question around staff currently on the College's premises during this period. S Taylor confirmed that there was a number of staff involved on site undertaking works job e.g. animal feeding, legionella control; general maintenance. The Committee asked for the Risk Register Item 3.4 be updated to explicitly include the need for social distancing in respect of this activity. **S Taylor to progress.**

The Strategic Risk Register and COVID 19 Specific Risk Register were approved (as amended).

7. **INTERNAL AUDIT**

   7.1 **Staff Recruitment and Retention**

   D Archibald summarised the report Staff Recruitment and Retention and the range of strengths noted within the report.

   G Robertson asked if the recommendation around training for staff was as a result of the range of training being too onerous – too much to do. S Taylor stated that there was an element of this and it was a matter of getting the balance right. S Taylor stated that with the tightening of finances, remission from teaching etc to support mandatory training was an increasing challenge.

   T Pirie asked about documenting arrangements for succession planning for Key Roles. S Taylor noted that arrangements and support/development for staff keen to progress was available, but that documenting a process for this was not a high priority. This would be passed on to the Human Resource & Development Committee to consider further.

   The committee approved the report.

7.2 Payroll and HR

D Archibald summarised the report Payroll and HR noting that it covered both payments made and the interface between both of the teams involved. D Archibald stated that the teams were working well together, with a good and accurate flow of information and progress being made towards the updated and integrated system. The overall assurance level was noted is "Good". D Archibald noted the grade 3 action in respect of the need to complete the already started Procedural Notes.

G Robertson asked that the Audit & Risk Committee's thanks are passed to the HR & Payroll Team for a good Audit. **S Taylor to progress.**

The report was approved.

7.3 Procurement and Creditors / Purchasing

D Archibald noted that the Audit was looking at Procurement and Creditors / Purchasing together, and that the overall Assurance Level was "Good". D Archibald highlighted that this Audit had taken place during the cyber-attack and that, with the P2P system not being retrievable, it was not possible to fully test items of expenditure from the financial ledger and ensure compliance with the College's Financial Procedures. D Archibald stated that from the overall work undertaken for the audit there were no significant concerns around this.

Discussion took place around Objectives 4 and 5 of the overall audit findings and it was agreed that J Carnegie would discuss with Henderson Loggie the opportunity to build in this element of procurement testing. **J Carnegie to progress.**

The report was approved.

7.4 ICT Network Arrangements / IT Strategy

D Archibald noted that the Satisfactory ICT Network Arrangements / IT Strategy Audit had been carried out by S McNaught who was SACA trained. D Archibald noted there were no significant gaps identified in the run up to the cyber-attack and noted that the Incident Response Plan had been tested and found to work well during this time.

The report was approved.

7.5 Audit Progress Report

D Archibald noted that the routine body of work had been delivered. Discussion around the National Fraud Initiative would take place over the summer along with the Follow-up Reviews.

D Archibald also noted his expectation at starting the conversation earlier around the work for the mandatory Student Activity and Student Funding audits and that discussions would look at what work for these could be undertaken remotely.

J Carnegie took the opportunity to advise the Audit & Risk Committee that Henderson Loggie have been successful in tendering for the audit work on behalf

of the College and would expect to progress the 2020/21 Audit Plan for the September meeting. **J Carnegie to progress**

7.6   Follow-up Summary

J Carnegie summarised the paper produced and outlined the approach adopted in respect of the 'traffic light' RAG rating.

J Carnegie confirmed that the recommendations arising from the Cyber Incident Report from JISC report were incorporated into the follow up summary to allow the Committee to track progress and completion of these.

J Carnegie gave a short update on the Catering Business Process Review noting that a series of workstream were in place from this.

J Carnegie acknowledged that the current COVID-19 epidemic would impact on how catering at the College would look highlighting that by the close of college buildings things had already changed with the covering of food, packaging food and other measures, and noting that these were likely to continue after campuses reopened.

Cyber Incident Summary of Recommendations and Progress – Appendix 2

J Carnegie noted to the Committee the confidential nature of the document.

A Ross noted the positive progress that had been made since the cyber-attack to strengthen and update cyber controls and cyber resilience.

G Robertson welcomed this update and noted that the situation must have been very challenging but that the feedback received was quite exceptional and asked that A Ross feedback the thanks of the Committee for this.

A Ross went over the paper for the Committee highlighting the completed actions and progress made to date. It was noted that a significant number of the recommendations had been achieved, with almost all on track for completion.

A Ross highlighted that a number of additional recommendations had been received from JISC after production of the initial report and confirmed that these were also included in the follow up summary.

Discussion took place around the cost implications of the recommendations and revised ways of working and A Ross stated that the estimated total costs for these would be c£100k. A Ross noted that he was liaising with the Finance Team in terms of the impact of this on the planned budget for 2020/2021.

H Honeyman noted the great job undertaken by the ICT Team and noted her opinion that a lot of organisations would not have recovered from such a cyber-attack so quickly.

8.   EXTERNAL AUDIT PLAN

R Smith summarised the External Audit Plan noting the scope and timing of audits in accordance with ISAs, the Code of Audit Practice and guidance on planning audits. It was noted that the plan set out the work necessary to provide the independent auditor's report on the annual report and financial statements.

Explaining the layout of the report R Smith highlighted that Risks 5 – 7 were work that had been done before with the addition of Risk 8 – in respect of the impact of COVID-19. It was noted that discussions were continuing with J Carnegie and B Ferguson in terms of how the practicalities of the audit would be completed whilst meeting current lockdown and social distancing guidance.

R Smith stated that Exhibit 2 – 2019/20 Audit output timescale could be subject to change at a national level, depending upon further COVID 19 developments.

Discussion took place around G Robertson's question on how Audit Scotland would carry out the audit (possibly remotely) with R Smith confirming that while they would expect to see a 'paper trail' they would plan around appropriate arrangements for this.

R Smith confirmed that the timing for the Audit work was similar to that of last year, with sign off at the Board in December and that any proposed changes to this would be discussed with the College.

9. POLICY UPDATES

9.1 Business Continuity

J Carnegie summarised the updates to the policy and noted that the cyber-attack had informed these developments.

G Robertson note that the policy had operated very well. H Honeyman agreed highlighting that it was a good high level policy and 'road map' that did a really good job.

The Committee approved the Business Continuity Policy.

9.2 Gift & Hospitality

J Carnegie noted that staff members did not often receive gifts or hospitality and so had not had to record any gifts of hospitality for some time. It was noted that the policy and approach had been streamlined and the recording limit increased to £50.

The Committee approved the Gift & Hospitality Policy.

9.3 Fraud, Bribery & Corruption

J Carnegie noted that this was in progress and will be brought to the next Audit & Risk Committee for approval. **J Carnegie to progress.**

10. DATA BREACH REPORTING

J Carnegie noted there had been no Data Breaches.

11. INTERNAL AUDIT CONTRACT AWARD

J Carnegie confirmed that Henderson Loggie had been successful in securing the Internal Audit Contract.

12.   DATE OF NEXT MEETING

The next Audit Committee meeting was confirmed as: **Tuesday 22 September 2020 at 5.00pm, Kingsway Campus (tbc).**

Action Point Summary		
Action	**Responsibility**	**Date**
Use of Microsoft teams for sharing of Board papers to be investigated	**S Taylor**	**22 September 2020**
Impact/benefit of allocation of risks to individual committees to be evaluated	**G Robertson**	**22 September 2020**
COVID 19 Specific Risk Register to be updated to note social distancing for staff on site during lockdown	**S Taylor**	**15 May 2020**
Audit & Risk Committee's thanks are passed to the HR & Payroll Team for positive audit outcome.	**S Taylor**	**15 May 2020**
Internal Audit Plan for 2020/2021 to be developed (including testing of purchasing practice)	**J Carnegie**	**22 September 2020**
Fraud, Bribery and Corruption Policy to be updated	**J Carnegie**	**22 September 2020**