

# BOARD OF MANAGEMENT

## Audit and Risk Committee Meeting

### Tuesday 26 November 2019



*Approved*

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Minute of the Audit & Risk Committee meeting held on Tuesday 26 November 2019 at 4.30pm in Y150, Board Room, Gardyne Campus.

**PRESENT:** G Robertson (Chair Audit) M Williamson  
H Honeyman K Keay  
M Thomson

**IN ATTENDANCE:** J Carnegie (Vice Principal) T D'All (Principal's/Board Chair PA)  
S Taylor (Vice Principal) C Watson (ESRC Research Project)  
A Kerr (Audit Scotland) A Ireland (ESRC Research Project)  
R Smith (Audit Scotland)  
D Archibald (Henderson Loggie)

**1. WELCOME**

G Robertson welcomed members of the Audit Committee.

It was confirmed that an independent meeting with audit representatives had been held directly prior to the meeting.

**2. APOLOGIES**

Apologies were received from P Milne & T Pirie

**3. DECLARATIONS OF INTEREST**

G Robertson noted his role as Chair of the Board for Gardyne Theatre Limited. There were no other declarations of interest.

**4. ESRC RESEARCH PROJECT – INFORMED CONSENT**

Board Members and those in attendance at meetings have completed the ESRC Consent Forms.

**5. MINUTE OF AUDIT & RISK COMMITTEES – 17 SEPTEMBER 2019**

The minutes of the Audit Committees meetings held on 17 September 2019 were approved as a correct record.

**5.1 Matters Arising**

J Carnegie gave a brief explanation of the new reporting process developed to update the Committee on Matters Arising and how this will be reported at each meeting.

J Carnegie confirmed that all Matters Arising from the Committee meeting on 17 September 2019 had been completed with the exception of item 11.1 – *Evaluation of revised arrangements for allocation of Risk* which will not be completed until March 2020.

## 6. STRATEGIC RISK REGISTER

G Robertson asked S Taylor to take the Committee through the key changes to the amended Strategic Risk Register. S Taylor highlighted the changes to Risk 3.3. in-line with discussions the last Audit & Risk Committee meeting and Risk 3.11 created around the new promoted staff structure.

S Taylor noted that there had been no further information for Scottish Government, since the last meeting, in relation to Brexit.

The Strategic Risk Register was approved.

## 7. DRAFT AUDIT COMMITTEE REPORT TO BOARD

The Committee noted that they were satisfied with the content of the report and agreed the circulation to the Board on 11 December 2019.

## 8. INTERNAL AUDIT REPORTS

### 8.1 Student Activity

D Archibald summarised the report on student activity (credits) highlighting that this was a prescribed audit to fulfil SFC requirements. D Archibald noted two areas for adjustment during testing and confirmed these were minor and due to human error. D Archibald confirmed the “clean opinion” to SFC.

The Committee welcomed the report and the positive comment on the work undertaken to achieve the ‘clean’ outcome. The report was approved.

### 8.2 Student Funding

D Archibald summarised the audit report on student support funds, confirming that this conformed to SFC requirements in relation to the range of funds identified. D Archibald indicated that there had been two errors in relation to student eligibility and an over claim both of which had been corrected.

J Carnegie noted the huge amount work undertaken over a number of weeks to complete these reports which was echoed by D Archibald. The Committee asked that their thanks be passed on to all involved. **S Taylor to progress.**

The report was approved.

### 8.3 Audit & Risk Follow-Up Summary

J Carnegie explained the revised report format, which will be presented at each Committee meeting, giving a clearer oversight of completed actions and those outstanding or partially completed.

J Carnegie confirmed that where deadlines had been changed these would also be included. It was agreed that K Keay suggestion of the addition of Red, Amber, and Green would be incorporated in the report. **J Carnegie to Action**

J Carnegie noted that an update would be provided at each Committee on the progress of the Catering Business Review as well as a Fraud update.

In relation to Audit Area Report 2017/07/R2 – CRM System – J Carnegie gave a brief summary of the planned revised approach to this. J Carnegie stated that the College had looked at two CRM systems and that a third would be considered in the coming days. However, due to cost (between £50,000 – £100,000), college priorities and procurement the new proposed deadline of March 2020 will not be met. The Committee

agreed after discussion that while there was no Risk associated with this and that the Action should be removed from the Report.

H Honeyman asked that in relation to 2018/04/R1 – Data Protection – that going forward attempts are made to encrypt papers to Board of Management members where sensitive information is contained within. The Committee agreed that this should be investigated.

**S Taylor to progress.**

S Taylor confirmed that Action 2018/05/R1 Duty of Care (PREVENT) – was awaiting final approval via the Policy Review Group.

In relation to Action 2019/05/R3 – Duty of Care (Corporate Parenting and Safe Guarding) which was reviewed and not progressed. The Committee agreed, after discussion, that the potential need for information on safeguarding matters go back to the Human Resource & Development Committee for further discussion. **S Taylor to progress.**

## 9.0 DATA BREACH REPORTING

J Carnegie confirm there were no reportable Data Breaches.

## 10. DATE OF NEXT MEETING

The next Audit & Risk Committee meeting was confirmed as: **Tuesday 3 March 2020 at 5.00pm in A214, Kingsway Campus.**

### Action Point Summary

<b>Action</b>	<b>Responsibility</b>	<b>Date</b>
Thanks to be passed to staff involved in achieving positive Student Funding and Credit audit outcomes	S Taylor	6 December 2019
Updates to follow-up report format to be made	J Carnegie	3 March 2020
Consideration to be given to encryption of Board papers.	S Taylor	11 December 2019
Duty of Care (Safeguarding) action to be discussed at HR Committee	S Taylor	20 February 2020

# BOARD OF MANAGEMENT

## Joint Audit and Risk/Finance and Property Committee Meeting

### Tuesday 26 November 2019



*Approved*

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Minute of the Joint Audit and Finance & Property Committee meeting held on Tuesday 26 November 2019 at 5.20pm in Y150, Board Room, Gardyne Campus.

**PRESENT:**

G Robertson (Chair Audit)	Steven Mill (Chair Finance & Property)
H Honeyman	M Williamson
M Thomson	K Keay
G Bisset	A McCusker
D Fordyce	B Carmichael
D Mackenzie	G Ritchie

**IN ATTENDANCE:**

J Carnegie (Vice Principal)	T D'All (Principal's/Board Chair PA)
S Taylor (Vice Principal)	C Watson (ESRC Research Project)
A Kerr (Audit Scotland)	A Ireland (ESRC Research Project)
D Archibald (Henderson Loggie)	R Smith (Audit Scotland)
S Hewitt (Vice Principal)	B Ferguson (Head of Finance)

#### 1. WELCOME

G Robertson welcomed members of the Finance and Property Committee to the joint meeting.

#### 2. APOLOGIE

Apologies were received from P Milne, T Pirie, B Grace, S Stirling and N Lowden

#### 3. DECLARATIONS OF INTEREST

G Robertson noted his role as Chair of the Board for Gardyne Theatre Limited. There were no other declarations of interest.

#### 4. FINANCIAL STATEMENTS AND ACCOUNTS

##### 4.1 ANNUAL REPORT ON AUDIT (HENDERSON LOGGIE)

D Archibald delivered a summary of the year's work including a summary of the individual reports noting that the Audit Plan had been delivered intact. There were no significant issues identifying major control weaknesses noted from the internal audit work carried out during the year. The overall Opinion was positive with effective arrangements for risk management control and governance.

S Mill noted that the College had received accreditation for Cyber Security and was currently working on Cyber Essentials plus.

J Carnegie confirmed that regular reports will be prepared for the Audit & Risk Committee on the progress of the Catering Business Review. A recent initial information session for all staff academic and support was well attended.

A McCusker noted her pleasure at a fantastic report with G Robertson thanking Henderson Loggie.

A McCusker said that this was an excellent Audit Report and congratulated all involved.

The report was approved.

#### 4.2 **Covering Letter (Audit Scotland)**

A Kerr talked through the Covering Letter confirming work completed indicating a complete unqualified opinion for the Board of Management on 11 December 2019.

#### 4.3 **Audit Scotland Annual Report**

A Kerr highlighted the Key Message of the Annual Report:

- Financial sustainability – findings replicated across the sector
- Improved quality of estates – 5-year estates strategy approved by the BOM
- Effective governance – the College conducts its business in an open & transparent manner
- Value for money
- Performance has improved

A Kerr also noted that the College has addressed the conditions in the Scotland's College 2019 report published by Audit Scotland in June 2019.

A Kerr noted Exhibit 3 of the Report highlighting:

- Depreciation adjustment where College staff alerted Audit Scotland to an input error on the calculation of annual depreciation charge on land and building.
- D & A Foundation, as part of the audit, it was concluded that the College is not in a position to exert significant influence over Dundee and Angus Foundation.
- Clawback of ESF payment – the College was in discussion with the SFC and is confident that this can be substantially reduced.

The Committee noted the fantastic job done by all involved in such a positive Report. The Report was approved for submission to the Board. **J Carnegie to progress.**

#### 4.4 **Financial Statement for the year ended 31 July 2019**

J Carnegie noted the key points within the Governance Statement including, as noted in the Audit Scotland Report, the excellent financial position with an underlying surplus of £2.2m; the improved Governance Statement and the strong Cash position.

Comments from Committee members included the suggestion of consistency when referring to FTs and Head Count in the commentary along with more visual elements/infographics to enhance the report.

The Financial Statement for the year ended 31 July 2019 were approved for submission to the Board of Management meeting on 11 December 2019. **J Carnegie to progress.**

### 5. **DATE OF NEXT MEETING**

The next Joint Audit and Finance & Property Committee meeting would be confirmed within the 2019/20 Board meetings schedule.

#### **Action Point Summary**

<b>Action</b>	<b>Responsibility</b>	<b>Date</b>
Submission of final external audit and financial statements papers to the Board of Management for approval.	J Carnegie	11 December 2019