

BOARD OF MANAGEMENT

Audit and Risk Committee Meeting

Tuesday 8 December 2020



Draft confirmed by Chair

Minute of the Audit & Risk Committee meeting held on Tuesday 8 December at 4.30pm via MS Teams

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

IN ATTENDANCE: J Carnegie (Vice Principal) T D'All (Principal's/Board Chair PA)
S Taylor (Vice Principal) D Archibald (Henderson Loggie)
A Kerr (Audit Scotland) S Inglis (Henderson Loggie)
R Smith (Audit Scotland)

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 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. MINUTE OF AUDIT & RISK COMMITTEES – 22 SEPTEMBER 2020

The minutes of the Audit Committees meeting held on 22 September 2020 was approved as a correct record.

5. MATTERS ARISING

Matters arising from previous meeting were closed.

6. STRATEGIC RISK REGISTER

S Taylor summarised the proposed changes to the Strategic Risk Register and deletion of the risk around structure changes. Work on monitoring the risks associated with Brexit were noted.

In response to a query S Taylor noted that the high-risk likelihood noted in respect of 3.3 “Legal actions; serious accident; incident or civil/criminal breach” related to the risk without the mitigations in place.

The COVID 19 Risk Register was noted and S Taylor summarised reduced scoring due to experience in respect of the risks around the negative publicity of any COVID outbreak and the potential impact of changes to awarding body quality arrangements.

G Robertson enquired about staff absence and it was confirmed by S Taylor that this was lower than usual at that time of year. This was likely due to offsite working, social distancing and improved hand and respiratory hygiene.

G Robertson asked about the number of staff on site and J Carnegie confirmed that a recent request for this information from the Scottish Government returned the number as approx. 300 people.

H Honeyman noted an announcement today from the Scottish Government around the cancelling of Highers and Advanced Higher for AY 2020/21 and asked how this would impact on the work of the College. S Taylor confirmed in terms of Higher this was a small number of students (approx. 400) with no Advanced Higher programmes currently being offered. S Taylor noted that as this was a recent announcement the College is awaiting further guidance but would expect the situation to be similar to that of National 5 provision.

The Strategic and COVID Risk Registers were approved.

7. DRAFT AUDIT COMMITTEE REPORT TO BOARD

G Robertson summarised the work undertaken by the Audit & Risk Committee over the preceding year and as included in the Draft Report to the Board.

The Committee noted that they were satisfied with the content of the report and approved this for submission to the December Board. **T D’All to progress.**

8. INTERNAL AUDIT REPORTS

8.1 Student Activity

S Inglis summarised the report on student activity (credits) highlighting that this was a prescribed audit to fulfil SFC requirements. S Inglis confirmed the “clean opinion” to SFC.

S Inglis highlighted the increase in Distance Learning due to COVID-19, an increase of 1100 credits, due to the upsurge in digital technology training due to the increased use of ICT systems including MS Teams, Webinars etc for students working remotely. Guidance was sought from SFC who were happy to accept these courses for AY 2019/20.

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

S Inglis summarised the audit report on student support funds (Bursary, EMA and Hardship), confirming that this conformed to SFC requirements in relation to the range of funds identified with a “clean certificate”.

The only observation that S Inglis noted was SFCs requirement for spot check of the EMA (100% attendance required) and that due to the cyber-attack at the start of the year some of the data was missing. It was confirmed that checking of data after the cyber-attack confirmed that appropriate arrangements were in place.

The report was approved.

9. Audit & Risk Follow-Up Summary

J Carnegie summarised the Follow-Up Summary document highlighting a date change for the Learner Engagement Strategy to August 2021. J Carnegie stated that it was not felt to be appropriate to finalise this until ‘post COVID’ learning and study arrangements were clearer.

J Carnegie noted that the questions with the Digital Skills Capability Assessment were no longer relevant as Digital Capability has developed and evolved significantly due to COVID. J Carnegie sought approval to marked this “action” as complete. The Committee agreed this.

Actions in respect of the Cyber-attack report were noted and it was confirmed that good progress had been made.

G Robertson asked about the reference to the ‘Red Forest’ technique asked if there was any risk associated with the alternative being progressed. J Carnegie noted that as the Head of ICT was not at the meeting, she would request information on this be provided for the next Audit & Risk Meeting in the New Year **J Carnegie to progress.**

10. DATA BREACH REPORTING

J Carnegie confirm there were no reportable Data Breaches.

11. DATE OF NEXT MEETING

The next Audit & Risk Committee meeting was confirmed as: **Tuesday 9 March 2021 at 5.00pm via MS Teams**

Action Point Summary

Action	Responsibility	Date
Update on any additional risk associated with decision not to progress with ‘Red Forest’ technique.	J Carnegie	9 March 2021

BOARD OF MANAGEMENT

Joint Audit and Risk/Finance and Property Committee Meeting

Tuesday 8 December 2020



Draft confirmed by Chair

Minute of the Joint Audit and Finance & Property Committee meeting held on Tuesday 8 December 2020 at 5.15m via MS Teams

PRESENT:

G Robertson (Chair Audit)	Steven Mill (Chair Finance & Property)
A McCusker	M Williamson
H Honeyman	K Keay
M Thomson	S Hewitt
D Fordyce	B Carmichael
D Mackenzie	S Stirling
P Milne	N Lowden

IN ATTENDANCE:

J Carnegie (Vice Principal)	Julie Grace
S Taylor (Vice Principal)	T D'All (Principal's/Board Chair PA)
A Kerr (Audit Scotland)	R Smith (Audit Scotland)
D Archibald (Henderson Loggie)	S Inglis (Henderson Loggie)
Billy Grace (Head of Estates)	B Ferguson (Head of Finance)

1. WELCOME

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

2. APOLOGIES

Apologies were received from, T Pirie & G Bisset

3. DECLARATIONS OF INTEREST

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

4. ANNUAL REPORT ON INTERNAL AUDIT

D Archibald delivered a summary of the year's work including a summary of the individual reports noting that the annual operating plan for 2019/20 showed several changes agreed by the Audit & Risk Committee to the allocation set out in the original Strategic Plan.

D Archibald confirmed that the Audit Plan had been delivered intact and that there were no issues identifying major internal control weaknesses noted from the internal audit work carried out during the year. Although the January 2020 cyber-attack on the College resulted in some limitations on scope, within the testing of Procurement and Creditors / Purchasing, D Archibald confirmed that they were comfortable that, overall, sufficient evidence was available to provide robust findings on the agreed audit scope.

S Mill noted that the positive review but queried the “satisfactory” grading for the great work undertaken by the ICT Team and asked if this was too harsh. D Archibald noted that while there were no significant control weaknesses, the cyber-attack and the loss of data had contributed to this audit outcome.

S Mill enquired about the scope for the Financial Review and asked that this be shared with the members for the Finance & Property Committee. This was agreed. **J Carnegie to progress**

The report was approved.

5. Covering Letter (Audit Scotland)

R Smith talked through the Covering Letter noting that (subject to the finalised annual report and financial statements) it was anticipated that Audit Scotland will issue unqualified audit opinions in the independent auditor's report on 15 December 2020.

6. Audit Scotland Annual Report

R Smith highlighted the Key Messages of the Annual Report as follows:

- The College had to implement a number of changes to its systems of internal control during 2019/20 due to the impact of the cyber-attack and Covid-19. However, high level systems of internal control continued to operate effectively during the year.
- The College has adequate arrangements for the prevention and detection of fraud and other regularities. These include arrangements to prevent fraud and corruption related to procurement activity.
- The College should review its five-year estate strategy to ensure that the existing plans represent the best approach to supporting an excellent, future-focussed curriculum, in a post-Covid world. This should include consideration of the next steps for the Kingsway Tower redevelopment and new build STEM centre.
- The College will play an important role in the delivery of the Tay Cities Region Deal projects by contributing to the objectives of the Skills Investment Plan to boost fair work, inclusive growth and productivity across the region.
- Effective governance and decision-making arrangements were in place during 2019/20 and the College took effective action to adjust its governance arrangements to respond to the challenges presented by Covid-19.
- The College has proper arrangements in place to promote and secure value for money.
- The College reported on a range of positive outcomes from its Good to Great strategy. It also continues to report strong performance against the National Measurement Framework, including student satisfaction results above the national average. As in prior years, the College exceeded its student activity credits target for 2019/20.

R Smith noted his thanks to the College and staff for their assistance during the Audit process especially considering the cyber-attack and Covid-19 pandemic.

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.**

7. Financial Statement for the year ended 31 July 2019

B Ferguson summarised the Financial Statement noting that there were no significant changes since the draft out-turn presented to the Finance & Property Committee in September 2020.

G Robertson congratulated everyone involved for a job well done.

A McCusker noted Audit Scotland's comment re enhancing the Performance Report section of the Financial Statement. R Smith stated that while Audit Scotland recognised the improvements on this area of the report there was still an opportunity to develop this further. The possible inclusion of inf graphics was noted.

The Financial Statement for the year ended 31 July 2020 were approved for submission to the Board of Management meeting on 15 December 2020. **J Carnegie to progress.**

8. DATE OF NEXT MEETING

The next Joint Audit and Finance & Property Committee meeting would be confirmed within the 2020/21 Board meetings schedule.

Action Point Summary

Action	Responsibility	Date
Internal audit scope to be shared with Finance & Property Committee members.	J Carnegie	23 December 2020
Submission of external audit report and financial statements to the December Board of Management for approval.	J Carnegie	15 December 2020