

BOARD OF MANAGEMENT
Audit and Risk Committee Meeting
Tuesday 9 March 2021



Draft confirmed by Chair

Minute of the Audit and Risk Committee meeting held on Tuesday 9 March 2021 at 5.00pm in Microsoft Teams.

PRESENT:

G Robertson (Chair)	H Honeyman
M Williamson	M Thomson
P Milne	T Pirie
K Keay	A Wilson

IN ATTENDANCE:

- J Carnegie (Vice Principal)
- S Taylor (Vice Principal and Secretary to the Board)
- S Inglis (Henderson Loggie)
- R Smith (Audit Scotland)
- D Robertson (CISO, HRFESTIS)
- T D'All (Principal's/Board Chair PA)

1. WELCOME

G Robertson welcomed members of the Audit and Risk Committee along with Angela Wilson attending her first Audit & Risk Committee Meeting

G Robertson took the opportunity to also note this was P Milne's last meeting and passed on his thanks for her contribution to the Audit & Risk Committee over the years.

2. APOLOGIES

Apologies were received from D Archibald (Henderson Loggie).

3. DECLARATIONS OF INTEREST

G Robertson noted his role as Chair of Gardyne Theatre Limited.

4. MINUTE OF AUDIT AND RISK COMMITTEE – 8 DECEMBER 2020

The Minute of the Audit & Risk Committee meeting held on 8 December 2020 was approved as an accurate record.

5. MATTERS ARISING

There were no Matters Arising.

6. COVID-19 UPDATE

J Carnegie highlighted the focus was on the 5% of students returning on campus that week and was delighted to report good compliance with mitigation. Arrangements had been put in place to provide refreshments and lunches (challenging food poverty) to reduce the need for students to move around or leave the campus.

J Carnegie noted that Health & Safety Team members were carrying out an Induction for each group of returning staff and students.

A discussion took place around the support needs and mental health issues experienced by students.

S Taylor confirmed that work was well developed around future Scenario Planning to seek to reduce the number of deferred students and the impact on Academic Year 2021/22.

The positive work and planning outlined was welcomed by the Committee.

7. INTERNAL ADUIT

7.1 National Fraud Initiative

S Inglis summarised the scope and process followed as part of the 20/21 programme and the lessons learned. The overall Level of Assurance noted was “Good” with no recommendations.

S Inglis highlighted some smaller opportunities for improvement within the report and noted that the College had begun to progress these.

The report was approved.

7.2 System Development / Implementation

S Inglis highlighted the management summary noting the background and scope of the review of Cyber Resilience and IT Controls in place for risks surrounding homeworking. It was noted that the overall Level of Assurance noted as “Good” with 1 recommended action in progress with no recommendations.

S Inglis noted the main findings highlighting strengths following the forensic review report into the circumstances of the cyber-attack in 2020 the highlighted that the College had acted swiftly to address the key findings with seven of the eight recommendations within that report implemented immediately. The College remained on track to implement the remaining action by the July 2021 target date.

S Inglis also noted good progress had been made in implementing the recommendations relating to information and cyber security controls raised in Internal Audit report 2020/03 – IT Network Arrangements / IT Strategy, issued in April 2020, with four of the five recommendations now fully implemented.

S Inglis noted the implementation of Office 365 and the associated controls which had been enabled had improved the security of the College systems.

G Robertson took the opportunity at this time to highlight to the Committee the Cyber Security Training programme offered by the College Development Network (CDN) and the Board level responsibility. G Robertson noted that a verbal update on this would be provided to the full Board.

M Thomson highlighted the benefit of the CDN Toolkit for awareness raising amongst all Board members.

D Robertson noted that he would be happy to support a development input for Board members as required. This offer was welcomed and would be considered as part of an update session.

The audit report was approved.

7.3 20/21 Progress Report

S Inglis summarised the list of assignments planned for the 20/21 Internal Audits noting everything was on track. The update and work undertaken during the pandemic was welcomed.

7.4 Follow-Up Summary

J Carnegie said she was pleased with progress on outstanding actions.

J Carnegie noted that due to the current situation the Catering Business Review was difficult to progress now. It was unlikely that there would be any substantive reopening of the catering areas until after the Easter break and even then, it was likely remain as a limited service.

The update on progress was welcomed.

8. EXTERNAL AUDIT

R Smith stated that Audit Planning work was progressing well, and a planning meeting has been scheduled for 18 March 2021. R Smith confirmed that a draft plan would be made available to the May Audit & Risk Committee meeting with specific risks around COVID-19. R Smith noted that there was a likelihood that this year's Audit will be carried out remotely as per last year.

9. STRATEGIC & COVID RISK REGISTERS

S Taylor summarised the risk register report and proposed changes to COVID related risks as follows.

3.1 - Failure to reach aspirational standards in learning, teaching and service delivery has been increased, moving this from green to amber. This is a very fluid situation with changes by SQA in respect of holistic assessment and other developments in terms of extending delivery potentially reducing the risks again.

3.5 - Reputational Risk - possible impact on our reputation with stakeholders (especially schools, parents, and employers) due to the disproportionate impact of current COVID restrictions on senior phase and apprenticeship groups compared with those studying through schools and private training providers.

S Taylor stated that further to the Finance & Property Committee on 2 March 2021 consideration was given to changing Risk 2.2 - Failure to institutional stability due to the substantial improved financial position and the possibility of receiving further funds via the Barnett Formula. The post mitigation likelihood of this risk would reduce from 3 to 2

The Audit & Risk Committee approved the updates to the COVID Risk Register

10. INFORMATION AND CYBER SECURITY RISK

D Robertson summarised key aspects of his report on cyber security, emphasising how highly impressive the ICT Team and D & A College has responded to the cyber-attack. It was noted that this had been recognised not just within the sector, but industry wide.

D Robertson outlined the range of cyber risks reviewed and controls in place noted that the College had scored well in terms of these. It was noted that the overall outcome was that the College was scoring at a similar level to what would be expected within 'high security' service such as banking.

The detail of the report was discussed, and G Robertson asked about the 'double red' score in respect of point IS_16. D Robertson stated that this simply related to the fact this point had not been tested during the review as there was not an opportunity to do so. D Robertson stated that this had been tested by the cyber-attack itself and could be included in future critical incident scenario testing.

D Robertson noted discussions held with A Ross and others within the IT Team in terms of work being progressed to support cyber awareness and to undertake 'testing' of this amongst staff.

D Robertson stated that the openness of the College in terms of the initial attack, and work lessons learned had been immensely valuable and noted that this had contributed directly to the much lesser impact of a similar attack on UHI.

A Wilson noted that this was the most positive report of its type that she had seen and noted that credit was due to the ICT Team and College for this.

The Committee thanked D Robertson for his paper and asked that the report be shared with the Finance & Property Committee acknowledging the financial backing from the Finance & Property Committee during this time. **S Taylor to progress.**

11. AOCB

G Robertson stated that T Pirie was planning to stand down as Vice Chair of the Audit & Risk Committee but would continue as a member of the committee.

G Robertson asked if anyone interested in putting their name forward for the position of Vice Chair to send a note interest to S Taylor. Appointment of a vice chair would be included in the agenda for the next meeting **S Taylor to progress.**

12. DATE OF NEXT MEETING

Tuesday 18 May 2021 at 5.00pm

Action Point Summary

Action

Responsibility

Date

Share the HEFESTIS Report with the Finance & Property Committee

S Taylor

12 March 2021

Vice chair appointment to be included in agenda

S Taylor

18 May 2021