

BOARD OF MANAGEMENT

Audit and Risk Committee Meeting

Tuesday 7 December 2021



Draft confirmed by Chair

Minute of the Audit & Risk Committee meeting held on Tuesday 7 December 2021 at 4.30pm via MS Teams

PRESENT: G Robertson (Chair Audit) M Williamson
H Honeyman K Keay
S Middleton

IN ATTENDANCE: J Carnegie (Vice Principal) T D'All (Principal's/Board Chair PA)
S Taylor (Vice Principal) A Ross (Head of ICT)
A Kerr (Audit Scotland) D Archibald (Henderson Loggie)
E Robertson (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 – 21 SEPTEMBER 2021

The minute of the Audit Committees meeting held on 21 September 2021 was approved as a correct record.

5. MATTERS ARISING

Matters arising from previous meeting were closed.

6. AUDIT & RISK COMMITTEE ANNUAL REPORT TO BOARD

G Robertson explained the purpose of the Audit & Risk Committee Annual Report to the Board of Management noting the diligence and work of the Audit & Risk Committee and to provide assurance that everything is well from an Audit & Risk view.

G Robertson noted that the internal & external auditors had provided positive confirmation that information and assistance with audit activities and outcomes had been provided.

The annual report was approved for circulation to the BOM on 14 December 2021. **S Taylor to progress.**

7. INTERNAL AUDIT

7.1. Student Activity

D Archibald highlighted the conclusion of the report noting no reservations from the work and testing undertaken. D Archibald highlighted that there were two recommendations, neither of which were considered significant. It was noted that progress on these would be picked up in the 2022/2023 Audit Schedule.

D Archibald noted that the report had a clean opinion around College Activity/Credits.

Discussion took place around the possible adjustment of credit guidance given the COVID mitigation needs, and it was noted that there were ongoing conversations with the Scottish Funding Council 'SAGE' group, but no changes had been made.

H Honeyman highlighted comments within the report regarding the impact of a systems change resulting in non-retrievable data and asked if this was a significant concern and if an update to the Risk Register was needed to reflect this

A Ross highlighted that this related to a loss of login records due to the way MS Teams operated which had impacted on the monitoring of attendance – MS Teams only held 3 months of login data. A Ross noted that arrangement had been changed in recognition of this and that it was no longer a concern.

The report was approved.

7.2. Student Support Funds

D Archibald noted this report on the discretionary, hardship, bursary, childcare and EMA funds highlighting that the testing and audit work undertaken had highlighted that the national policies were being followed and there were no issues to be brought to the Committee. A couple of minor adjustments were noted with low level recommendations around housekeeping. A clean bill of health was noted.

The report was approved.

7.3. Follow-up Summary

J Carnegie was pleased that D&A College are making good progress with only 3 recommendation (1 closed off) and 2 on-going.

J Carnegie noted the Catering Review highlighting the revised focus on healthy eating and the Food Poverty Agenda.

7.4. Audit Needs Analysis & Strategic Audit Plan

D Archibald noted that the Audit Needs Assessment (ANA) and proposed audit plan should be viewed together and noted that the plan was developed specifically from the ANA work undertaken.

D Archibald noted it was good practice for the Committee to see the reasoning and work to bring the 3-year plan together.

D Archibald highlighted the new areas that had been added to the ANA, including Climate Change / Sustainability and Future Ways of Working. These had all been reviewed with College input and grouped into high, medium, and low risk areas.

D Archibald noted the Audit & Risk Committee should decide if these were the relevant topics for future audit scrutiny and review not only 2021/2022 but looking to 2022/2023 and 2023/2024 in the plan.

H Honeyman noted the reputational risk item was specifically around external communications and asked what had prompted this? J Carnegie said that over the last few years (and particular after the cyber incidents the internal communications approach had been looked at and had received positive feedback). External communications had had less scrutiny recently and with changes to the Marketing Team and the recruitment of new staff - Economic Partnership Manager & Marketing Manager – it was felt that it was a good time to re-look at arrangements and activities in respect of this.

D Archibald confirmed this was not a 'control' type review but would look at planning processes and impact and would consider if the arrangements and resources in place were appropriate to deliver expected outcomes. D Archibald confirmed Henderson Loggie would be particular in choosing who from their team undertook this review acknowledging H Honeyman's comment that this was not a routine audit.

The ANA was approved.

7.5. 2021/22 Internal Audit Annual Plan

D Archibald noted that the groundwork had been agreed and undertaken for two of the reviews. Remaining audits planned for 2021/2022 were noted.

The Audit Plan was approved

8. DATA BREACH REPORTING

There were no reportable breaches.

9. HEFESTIS – Annual Information & Cyber Security Risk & Maturity Report 2021

A Ross noted the Annual Information & Cyber Security Risk & Maturity Report 2021 highlighting the positive feedback outlined through the report. A Ross said that the Risk Mitigations highlighted substantial improvement around security etc and showed that these were at an advanced stage. There were a small number of recommendations and it was noted that most had been completed (for example, the Cloud Risk Questionnaire had been rolled out) or were already planned (for example, Data Protection was included in the audit schedule).

A Ross highlighted that the Risk Profile had reduced significantly.

A Ross informed the Committee the College had been successful again in completing the Cyber Essential Plus certification, but that staying ahead in terms of cyber security remained a constant battle.

H Honeyman acknowledge the positive report but noted that the document itself was cumbersome in nature and asked if a request could be made to HEFESTIS to try to make the report more user friendly. A Ross noted that similar feedback had already been provided.

The report was welcomed by the committee.

10. STRATEGIC RISK REGISTER UPDATE

S Taylor summarised the update highlighting no changes to the COVID or Strategic Risk Registers.

S Taylor highlighted the Credit Risk – confirming some areas of flexibility had been given by SFC, but that there remained a possibility of funding clawback if targets were not met. S Taylor stated that SFC do recognise and acknowledge the COVID related recruitment problems across the sector.

The Risk Registers were approved.

11. DATE OF NEXT MEETING – Tuesday 8 March 2022

Action Point Summary

Action	Responsibility	Date
Audit & Risk Committee Annual Report to the BOM	S Taylor	14 December 2021

BOARD OF MANAGEMENT

Joint Audit and Risk/Finance and Property Committee Meeting

Tuesday 7 December 2021



Draft confirmed by Chair

Minute of the Joint Audit and Finance & Property Committee meeting held on Tuesday 7 December 2021 at 5.15pm via MS Teams

PRESENT:

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

IN ATTENDANCE:

J Carnegie (Vice Principal)	J Grace (Vice Principal)
S Taylor (Vice Principal)	T D'All (Principal's/Board Chair PA)
A Kerr (Audit Scotland)	E Robertson (Audit Scotland)
D Archibald (Henderson Loggie)	A Ross (Head of ICT)
B 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

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. **ANNUAL REPORT ON INTERNAL AUDIT**

D Archibald noted the very positive report and highlighted the range of internal work undertaken in 2020/2021 and noted his thanks for the support of the management team in undertaking this work.

D Archibald acknowledged that Henderson Loggie were Independent of the College and that all work undertaken confirmed to the public sector audit standards.

D Archibald explained the "grading" of the audits undertaken, noting that in this case there was one "satisfactory" with the remainder graded as "good"

D Archibald noted that, as highlighted in the earlier Follow-Up Summary, there were only three audit recommendations uncompleted.

D Archibald noted the overall positive picture and positive opinions, confirming that this was a clean bill of health and an excellent outcome for the College.

Following discussion around outcomes from audits undertaken throughout the year, the report was approved

5. EXTERNAL AUDIT

5.1 Audit Scotland Covering Letter

S Mill introduced the Covering Letter with A Kerr taking comments on both the Report & Letter.

Noting Para 1 – following the completion of the audit work A Kerr highlighted a “clean” audit option would be included in the Annual Report and Financial Statements for signing off by the Board of Management at the 14 December 2021 meeting.

5.2 Audit Scotland Annual Report

A Kerr noted that the audit outcome was positive and unqualified, representing a good audit outcome for the College with no significant concerns highlighted.

A Kerr noted Exhibit 3 - Annual Report and Financial Statement – highlighting that there were no misstatements within the accounts and no changes required to the figures. Some disclosure and narrative changes within the overall text had been requested by Audit Scotland, which had been accommodated by the College.

A Kerr expressed thanks to all staff involved on the Audit and in completion of the Financial Statements.

S Mill noted the five recommendations in the action plan and congratulated B Ferguson & Team for their work from draft to final accounts under such difficult situations.

S Mill stated that he was happy with the main aspect and the recommendations and response from the management on these. However, he sought clarification around Recommendation 1 in respect of the Asset Register and asked if the adjustments recommended would have any impact on the balance sheet? E Robertson confirmed that it would not, as detailed in Note 12.

The Committee noted the positive audit outcome.

The Audit Scotland Cover Letter and Audit Annual Report were approved for submission to the Board of Management on 14 December 2021. **J Carnegie to progress**

5.3 Financial Statements for the Year ended 31 July 2021

B Ferguson summarised the financial statements highlighting that there had been very small movement from the projected end of year out-turn.

S Mill noted that the management commentary gave a good summary of what had occurred over the year.

B Fergusson noted that a small update would be made to the final document to reflect final student outcome data as there were some updates to performance indicators (slightly improved) due to final results being confirmed.

G Robertson thanked the Finance Team and Audit Scotland for their support and flexibility throughout the year.

The Financial Statement for the year ended 31 July 2021 were approved for submission to the Board of Management meeting on 14 December 2021.

J Carnegie to progress.

6. DATE OF NEXT MEETING

The next Joint Audit & Risk and Property & Finance Committee would be confirmed within the 2021/22 Board Meeting Schedule.

Action Point Summary

Action	Responsibility	Date
The Audit Scotland Cover Letter and Audit Annual Report approved for submission to the BOM	J Carnegie	14 December 2021
The Financial Statement for the year ended 31 July 2021 approved for submission to the BOM	J Carnegie	14 December 2021