

# BOARD OF MANAGEMENT



## Audit & Risk Committee

Tuesday 7 June 2022 at 5.00pm  
In Microsoft Teams

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Minute of the Audit & Risk Committee meeting held on Tuesday 7 June 2022 at 5.00pm via MS Teams

**PRESENT:** H Honeyman (Chair Audit) S Middleton  
M Thomson R McLellan  
K Ditcham

**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) E Robertson (Audit Scotland)

### 1. WELCOME

H Honeyman welcomed members of the Audit Committee, her first as Chair. H Honeyman also welcomed R McLellan and K Ditcham to their first meetings of the Committee.

### 2. APOLOGIES

Apologies were noted from K Keay and M Williamson

### 3. DECLARATIONS OF INTEREST OR CONNECTION

None.

### 4. ELECTION OF VICE CHAIR

S Taylor noted the Vice Chair of the Audit & Risk Committee vacancy. Notes of interest to be emailed to S Taylor for picking up at the meeting in September 2022.

### 5. MINUTE OF THE PREVIOUS MEETING –

The minutes of the Audit and Risk Committee meeting held on 8 March 2022 was approved as an accurate record with one change:

Item: 6.2 – minute was updated to include: additional layers of assurance and building on work undertaken in previously reviews.

### 6. MATTERS ARISING

Matters arising from previous meeting were closed.

## **7. INTERNAL AUDIT**

### **7.1 Publicity & Communications**

D Archibald summarised the report, highlighting that this looked at external and internal communications and noted that the overall grading was “Good”. Strengths noted included the Marketing the Future Project –new ways of communications with audiences. D Archibald noted that the opportunities for enhancement highlighted in the report would be useful but were not necessary weaknesses.

D Archibald said that the Internal Communication Policy was due for. D Archibald highlighted discussions with Managers where it was felt that bespoke training around communication / digital communication methodology; communication routes and understanding how these can be applied.

H Honeyman asked about reference to different communication mediums within the policy and S Taylor advised that College Policies were high level so would not include all forms of communications.

S Taylor highlighted that College Policies were updated on a rolling 3-year basis, however the usual document control processes had been impacted by COVID, so a number of policies still required to be updated.

The positive audit report was approved.

### **7.2 Data Protection**

D Archibald noted there was a real focus when GDPR was implemented in 2018 and stated that the report looked at application of the GDPR framework across the college when dealing with sensitive data and the associated risks. D Archibald noted the “Good” overall grading reflecting positively on the arrangements in place and the work of undertaken by the Data Protection Officer (DPO) and others to ensure compliance and reminding staff of their responsibilities.

D Archibald noted 3 areas for enhancement including: establishing a Data Privacy Network, A report on the work undertaken by the DPO throughout the year (reporting to the Audit & Risk Committee), and a formal procedural guidance document to be developed.

H Honeyman enquired about the burden on staff of establishing the Network. J Carnegie confirmed that, for the people responsible for sharing good practice, this should not be a significant burden. S Taylor stated that the College was currently looking at creating a better network for staff using data and reporting and this recommendation would fit well alongside this work.

H Honeyman welcomed the audit outcomes and the proposed Data Protection report to the Audit & Risk Committee. The report was approved

### **7.3 Progress Report**

D Archibald noted that the 2021/22 annual audit plan was on track with the routine audits remaining (student activity and funding) to be completed in September 2022.

H Honeyman queried the timing of these Audits taking place at an already busy time for College staff with S Taylor confirming these are standard Audits and part of the expected Annual Cycle. D Archibald stated that these Audits are driven by SFC's requirements, and the timings are the same as previous years.

J Carnegie noted that in previous years when the start and finish of the Internal & External Audit take place the auditors have been onsite but when it is done remotely this tended to extend the time. It is hoped this year the tie up of things will be more prompt. D Archibald intimated that he would pick up with S Taylor & L Crichton to prepare the timeline for the Audits.

R McLellan queried the student Invoicing and Debt Management as Satisfactory. D Archibald said that the grading as satisfactory would indicate relatively minor weaknesses.

#### **7.4 Follow Up Summary**

J Carnegie noted the content of the Follow Up Summary paper highlighting the completion of Student Invoicing and Debt Management, Cyber Security and Student Activity Data with all the actions completed or in progress.

J Carnegie noted the Catering and Business Review – work on food poverty and healthy eating with subsidies for healthy food. J Carnegie noted the current financial situation with the College having to cut back on these subsidies. J Carnegie did however note that the College still operated the food larders and students' kitchens which are popular.

J Carnegie noted the Fraud Initiative update highlighting the training provided to the teams which has been transferred to a "Rise" package for all staff.

H Honeyman enquired about the opportunity for students to make payments online and it was confirmed that currently students can only see their account balance. It is hoped that in the future Students will be able to make payments, but this may require substantive systems investment

### **8. EXTERNAL AUDIT**

#### **8.1 Annual Audit Plan 2021/22**

A Kerr noted the Annual Audit Plan proposed for 2021/22.

The audit plan was summarised highlighting the key requirements to be met and the key elements associated with materiality, risks and statutory reporting.

plan served two main tasks: Discharge accountancy confirmation of independence and quality arrangements.

A Kerr noted the focus on pensions and asset valuations, and these elements were discussed with A Kerr confirming there was no need to have the assets valued by an external organisation but that any significant change of use of an asset should be considered (for example unused buildings) as a reduced asset.

H Honeyman enquired about the scale of any potential the Audit Fee / late fee. A Kerr confirmed this cost would depend on any specific additional work needed and would be factored in on a case-by-case basis.

## **8.2 New External Auditor Appointment – Mazars**

J Carnegie advised the Committee that the College has received confirmation that Mazars have been appointed as the External Auditor for 2022/23 to 2026/27 noting expectations of a handover at the meeting in December 2022 with Audit Scotland.

## **9. FRAUD REPORT**

J Carnegie noted disappointment at having to prepare a report highlighting a theft/fraud arising within the canteen service. J Carnegie noted that the overall value involved was not significant so had not been advised to auditors or SFC. A Kerr noted that there may be a requirement to reference the report within the Governance Statement of the Financial Statement which J Carnegie confirmed that this would be looked at as appropriate.

S Taylor noted that, due to the content and nature of the report, it would be appropriate and reasonable for this not to be included in the papers when published on the College website. This was agreed.

The Committee noted the report and approved the recommendations and actions.

## **10. STRATEGIC RISK & COVID REGISTERS**

S Taylor summarised the Risk Register papers and outlined the proposed changes in the COVID Register.

S Taylor highlighted discussion around the College hitting its Credit Target for this year with ongoing conversations with SFC and some flexibilities being agreed. Given these flexibilities the College was reasonably comfortable with hitting targets with limited risk of any clawback.

S Taylor confirmed that it had been agreed that any post mitigation risk which remained “red” would prompt a report to Audit & Risk Committee on the actions being taken.

It was noted that this was the case in respect of the Financial Sustainability Risk.

Initial saving plans had been copied to the Board, outlining the proposals and steps planned to manage the cuts and bring the College back to financial sustainability.

S Taylor noted that over 80 responses had been received to the Consultation paper with the Executive Team at the stage of finalising the proposal for further consultation. S Taylor noted a more detailed conversation was to take place at the Board of Management Meeting in June.

S Taylor noted the reduction in terms of the required mitigations around COVID Risk Register with the intention to remove the separate register in September. H Honeyman requested that a “pandemic” like risk was included within the Strategic Risk Register. This was agreed, **S Taylor to progress.**

M Thomson said that the requirements for a separate risk around COVID & BREXIT are running their natural courses, but that it remained important that these stayed on the radar.

H Honeyman enquired about the need to review the Business Continuity Plan (BCP) as the pandemic BCP arrangements lessened. J Carnegie noted that a post event review of the cyber-attack had been undertaken and that a similar review would be undertaken to assess the pandemic continuity plan.

The Strategic and COVID Risk Registers were approved.

## 11. DATA BREACH REPORTING

None

## 12. COVID-19 UPDATE

J Carnegie noted that the College estate was almost back to normal with no physical distancing or face coverings required. The ICT and furniture had been reinstated to achieve normal class sizes. CO2 monitoring was continuing along with the availability of hand sanitizer.

J Carnegie noted that the majority of testing kits were returned with a small stock retained for vulnerable students that may still require regular testing.

S Taylor stated that the College would continue to support the “distance aware” arrangements, although uptake had been minimal but that some staff and students were still wearing mask.

S Taylor highlighted the continuing impact on learning, teaching and assessment with the College taking advantage of the Decision Tree Branch 4 from SQA. It had been confirmed that similar assessment adaptations would be available in 2022/23.

S Taylor noted that after two years the College had completed the SQA exam diet for 2022 with no substantial issues raised.

## 13. DATE OF NEXT MEETING – Tuesday 20 September 2022, Kingsway Campus – ON SITE

### **Action Point Summary**

<b>Action</b>	<b>Responsibility</b>	<b>Date</b>
Pandemic management risk to be included in Strategic Risk Register	S Taylor	20 September 2022