# **logo_colourBOARD OF MANAGEMENT**

**Audit and Risk Committee**

Tuesday 3 December 2024 at 4.30pm in room K-TO-604 and via MS Teams

Minute of the Audit & Risk Committee meeting held on Tuesday 3 December 2024 at 4.30pm in Room K-TO-604 Kingsway Campus and via Microsoft Teams.

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| **PRESENT:** | Helen Honeyman (Chair Audit) | Derek Smith |
|  | Margo Williamson | Matthew Beattie |
|  | Ged Bell |  |

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| **IN ATTENDANCE:** | Stuart Inglis (Henderson Loggie) | Laurie O’Donnell |
|  | Michael Speight (Forvis Mazars) |  |
|  | Bridget Mauro (Forvis Mazars) |  |
|  | S Taylor (Vice Principal Support and Organisation)  |
|  | Nicky Anderson (Director of Finance) |
|  | P Muir (Board Administrator) |  |
| 1.
 | **WELCOME**H Honeyman welcomed members of the Audit & Risk Committee and L O’Donnell as an observer.It was confirmed that an independent meeting with audit representatives had been held directly prior to the meeting. |
|  | **APOLOGIES**Apologies were noted from R McLellan, S Middleton, D Archibald and J Buchanan. |
|  | **DECLARATIONS OF INTEREST OR CONNECTION**S Inglis declared an interest in relation to the Procurement of Internal Audit services and withdrew from the meeting for that item. |
|  | **MINUTE OF THE PREVIOUS MEETING** The minutes of the Audit and Risk Committee meeting held on 17 September 2024 were approved as an accurate record. |
|  | **MATTERS ARISING**The matters arising have been progressed as noted. |
|  | **AUDIT & RISK COMMITTEE ANNUAL REPORT TO THE BOARD** The Audit & Risk Committee Annual Report to the Board was discussed in detail.H Honeyman noted discussion within the auditor meeting regarding changes, timescales, and delays being faced. She noted discomfort with the current position, acknowledging no fault of individuals, but highlighting the possible impact on the Audit sign-off date. While appreciating the ongoing work and handovers, she stressed the importance of avoiding similar tight deadlines in the future and requested these concerns to be reflected in the report.M Williamson enquired about the progress of the audit sign-off process and the likelihood of meeting the deadline.N Anderson provided an update on the accounts and adjustments, noting that further checks by M Speight (Forvis Mazars) with the technical department were required.M Speight provided an update on the status of the audit progress, highlighting the technical treatment of the job evaluation funding was a significant hurdle. While 95% of the work was on track, final approvals and backpay accrual figures still required completion. M Speight stated ongoing discussions with the technical team were being held to address these issues, with confidence that the audit would be sufficiently complete pending the final steps. He acknowledged the associated risks but assured the Committee that contingency measures were in place to ensure the audit’s completion within the required timeframe.H Honeyman acknowledged the team's work but reiterated the importance of flagging risks to the Board. She also queried contingency plans if the sign-off timeline was not met and the implications for funding.S Taylor noted that contingency arrangements were possible if needed to allow sign off to be completed after the Board meeting. If required lateness of the final reports could be signalled to SFC, but this would be avoided if at all possible. M Speight noted that with proper communication, a delay would not pose a major problem. S Inglis emphasised the need to update the highlighted areas within the Audit & Risk Annual report to the Board to reflect the final reports to be approved. This was noted.The draft report was approved (with amendment as noted) for submission to the Board. **H Honeyman and S Taylor to progress.** |
|  | **INTERNAL AUDIT** * 1. **STUDENT ACTIVITY**

S Inglis summarised the report, highlighting that this was one of the mandatory audits undertaken each year. The report had a positive outcome with some minor recommendations noted. S Inglis highlighted one issue which was the allocation of credits on a course where 110 Credits recorded in UNIT-e did not align with the Credits outlined in the course framework or those actually undertaken by students. However, S Inglis confirmed that this had no impact overall. S Inglish noted the average credits claimed for full-time students slightly exceeded the Funding Council guidance, with ongoing discussions which confirmed no issues or impact for the current year.S Taylor highlighted the importance of conversations with SFC around average credits and noted that these additional credits were group tutor and guidance time for students, which were essential elements of successful programmes. S Taylor also noted that the average credit figure had reduced, with closer alignment. The positive report was approved.* 1. **STUDENT SUPPORT FUNDS**

S Inglis summarised the report on the discretionary, hardship, bursary, childcare, and EMA funds. It was confirmed that these returns were simplified and submitted to SAAS without reservation.The report received a clean certificate, with one point noted for future improvement. The report was then welcomed and approved by the committee. H Honeyman thanked everyone involved for their work in achieving such positive outcomes* 1. **SPORTS CENTRE BUSINESS PROCESS REVIEW**

S Inglis introduced and highlighted the report, which was prepared by D Archibald. S Inglis emphasised that the review's objective was to identify and eliminate inefficiencies within current processes, while also contributing to a broader evaluation by the College of the commercialisation and overall effectiveness of the Sports Centre operations at Gardyne Campus.S Inglis noted that meetings were conducted with stakeholders, including staff from the Sports Centre, the HR Manager, the Head of Estates, and the Head of Finance. Additional meetings were held with customers and other relevant parties. Through these discussions, opportunities were identified for improving the performance in the operating model for the Sports Centre.S Inglis highlighted key findings and included several recommendations to enhance effectiveness. S Inglis stated two high-priority recommendations were related to access security and maintaining safe staff levels. Management confirmed that Risk assessments concerning potential staffing level risks have been reviewed, and appropriate arrangements put in place at the time of the fieldwork for the report in early 2024. Residual areas for improvement have been identified, with a completion date set for 31 January 2025.The remainder of the report included four medium-priority and one lower-priority recommendation. These related to areas such as Sports Centre charges, equipment, and building maintenance. M Williamson remarked that the report was thorough and enjoyable to read, with no surprises for management. She emphasised the importance of Health and Safety and access, recognising the assurance provided within these areas. H Honeyman asked about the partial acceptance of recommendations related to safe staffing levels, querying whether shutting the facility down was ever considered.S Inglis clarified that, during discussions, assurance was provided that the identified risks, such as all staff being called away while pool supervision was required, were effectively managed and unlikely to materialise.S Taylor added that the partial acceptance referred to issues had already been addressed and noted that the final elements of the recommendation did not relate to Health and Safety concerns.The report was approved.* 1. **FOLLOW UP SUMMARY**

S Taylor presented the summary and noted that work was progressing well in terms of Audit recommendations. H Honeyman noted that it was a request of the committee that Procurement be reviewed again in 12 months. This would be added into the 2025/26 audit schedule. **S Taylor to progress.**H Honeyman thanked S Taylor for the update and noted that the Committee was pleased to see the progress made.* 1. **PROCUREMENT AND CREDITORS AUDIT UPDATE**

N Anderson summarised the update on recommendations from the Procurement and Creditors Audit.N Anderson highlighted that the procurement strategy was included on the agenda for the Finance & Property Committee. She noted that a draft procurement policy and procurement authorisation process had been prepared, along with proposed changes to procurement thresholds. These documents will be circulated shortly, pending approval.N Anderson discussed the "No PO, No Pay" policy which was reviewed, and communication to staff regarding the importance of purchase orders (POs) is underway, with a plan in place to improve enforcement.N Anderson noted that it is not possible to build authorisation system controls into the P2P process, but the existing measures provide adequate control over changes to bank details.H Honeyman acknowledged the challenges in fully implementing the "No PO, No Pay" policy and welcomed the desire to move closer to this where possible. L O'Donnell highlighted the importance of fostering a supportive culture for staff, ensuring they are empowered to do their jobs while working to find the right balance of support and protection.The update was welcomed. |
|  | **DATA REPORTING**S Taylor reported that there had been no reportable data breaches. He noted that the annual report on cyber security and resilience would be presented at the March 2025 meeting.Following recent staffing changes S Taylor highlighted that the College would transition to a shared service arrangement through HEFETIS for data protection support. This change was noted. |
|  | **INTERNAL AUDIT PROCUREMENT** S Inglis left the meeting for this item.N Anderson provided a summary of the Internal Audit Procurement process, noting that a mini-competition and interviews with potential suppliers would be conducted in February – March 2025. The outcome of this process will be presented to the Audit and Risk Committee in June 2025. |
|  | **STRATEGIC RISK REGISTER**S Taylor provided a summary, highlighting key areas of risk. Financial sustainability was noted as a significant concern and is scheduled for discussion at the Finance and Property Committee meeting.S Taylor highlighted those credits claimed from different funding pots-based on Scottish Funding Council (SFC) and SFE funding, which operate in arrears- had resulted in some ESF funds being reclaimed. Although additional funds were previously allocated, some of these had had to be returned due to these adjustments.S Taylor stated work on the risk appetite session is progressing and will be progressed for the March 2025 meeting. There were no changes signaled to current Strategic Risks.The paper was approved.  |
|  | **DATE OF NEXT MEETING**Tuesday 4 March 2025 at 5.00pm in room K-TO-624, Kingsway Campus. |

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| **Action Point Summary** |  |  |
| **Action** | **Responsibility** | **Date** |
| Audit & Risk Annual report to be updated for submission to the Board | S Taylor | 13 December 2024 |
| Procurement and creditors audit to be included in the 2025/26 audit plan. | S Taylor | September 2025 |