

**NOTES OF THE TWENTY FIFTH MEETING OF THE AUDIT COMMITTEE
HELD ON 20 MAY 2020 at 4.30PM. THE MEETING WAS CONDUCTED
REMOTELY DUE TO COVID-19 RESTRICTIONS.**

PRESENT:

David Watt	Committee Chair
Aranka Szilassy	Committee Member
Michael Payne	Committee Member
Keith Rosser	Committee Member
Clare Walker	Committee Member

IN ATTENDANCE:

Jon Vincent	Principal
Janet Thomson	Vice Principal Resources & College Development
Tracy Elliott	Assistant Principal - Finance & Infrastructure
Gary Devlin	Scott Moncrieff (External Auditors)
David Archibald	Henderson Loggie (Internal Auditors)
Stuart Inglis	Henderson Loggie (Internal Auditors)
Christine McConnell	Clerk to the Board (Minute Taker)

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| 20.12 | WELCOME AND APOLOGIES | ACTION |
| | The Committee Chair welcomed everyone to the meeting. The Committee agreed to deal with Agenda Item 20.18 at the end of the meeting. The Minute reflects the changed order of proceedings. | |
| 20.13 | DECLARATIONS OF INTEREST | |
| | D Archibald and S Inglis declared an interest in Agenda item 20.18. No other declarations of interest were received. | |
| 20.14 | MINUTES OF MEETING HELD ON 27 NOVEMBER 2019 | |
| | The Minutes were accepted as a true and accurate record of the meeting subject to amendment of one typographical error. | |
| 20.15 | MATTERS ARISING – ACTION GRID | |
| | The Committee noted the updates provided in the Action Grid. | |
| 20.16 | AUDIT COMMITTEE SCHEDULE OF WORK | CMcC |
| | The Committee noted the Schedule of Work for the Audit Committee. The Committee agreed that the Schedule should reflect that the approval of the Accounting Policies should be | |

included in the Schedule for the last meeting of the academic session and that each meeting should consider any relevant new guidance issued by the Scottish Funding Council since the previous meeting as available.

120.17 INTERNAL AUDIT REPORTS

CASH & BANK/ TREASURY MANAGEMENT

D Archibald spoke to the report.

D Archibald thanked all staff who had assisted in the audit which had been carried out remotely. D Archibald explained that the audit had focussed on two aspects - cash handling and treasury management arrangements. The audit provided positive assurance for the Committee. There were no recommendations and the overall grading was noted as "Good".

JT/DA

The Committee discussed the challenges due to the inability of the auditors to gain physical access to the College buildings during lockdown and were assured that this had not adversely impacted on the reliance which can be placed on the audit. The Committee asked the auditors to follow up with a check on the hard copies of any relevant documentation when physical access is available.

The Committee noted some typographical changes which need to be made and thanked the auditor for the report.

STAFF RECRUITMENT AND RETENTION

D Archibald spoke to the report.

The Committee noted the overall level of assurance given was "Satisfactory". The Committee discussed the strengths and weaknesses detailed in the report and noted the steps which College management were taking to address the areas highlighted within the report's three minor recommendations. In particular, the Committee noted the comments in the report in relation to succession planning and asked the Principal to submit a report to the Remuneration Committee in future to detail the steps being taken to address this issue more widely. The Committee also asked that the report be submitted to the next Organisational Development Committee.

JV

CMcC

IT NETWORK ARRANGMENTS

D Archibald spoke to the report.

The Committee noted the overall level of assurance was "Good" and that there were no recommendations made. The Committee were advised of the minimal limitations which had arisen due to the lack of physical access to premises but were assured that this did not impact upon the reliance it could place on the report.

The Committee praised the work of the College's IT team both from a staff and from a student perspective following comments from the respective members.

The Committee discussed the future of the IT platform as the requirements for remote working and online learning expand and received assurances that, although demands are constantly changing, the capability and robustness of the IT platform to react to future needs for expansion is very good.

20.19 INTERNAL AUDIT 2019/20 PLAN PROGRESS AND PLAN FOR 20/21

D Archibald spoke to the report

The Committee noted that the internal auditors are on track to complete the audits scheduled for 2019/20 in terms of the Audit Plan.

The Committee discussed the six areas which had been suggested for future audits in 2020/21. It was agreed that the External Effectiveness Governance Review should not form part of the audit plan as this will be addressed separately. The Committee discussed other possible areas for audit reviews including payroll, staff expenses, student support, adherence to COVID -19 rules and agreed that a final list of topics to be covered by internal audit in 2020/21 would be agreed between the auditors, management and the Chair.

JT/DA/DW

20.20 EXTERNAL AUDIT PLANNING MEMORANDUM FOR 2020-21

G Devlin spoke to the report.

He explained that there are several risks which will be heightened in the future remote working environment and that key controls will need to be assessed against that background.

The Committee discussed the potential impact of COVID -19 upon property values and noted that some amendment was required to the wording of the draft report regarding the possible financial accounting risk involved.

The Committee noted that there is uncertainty in relation to pension assumptions given possible changes to mortality tables and discount rates as a result of COVID-19.

J Vincent raised concerns about inconsistencies of wording in the report in relation to the financial sustainability section which G Devlin agreed to address.

The Committee discussed the audit fee and agreed that a further discussion should be held with College management on this issue.

G Devlin advised that there is a higher risk of modification to the Audit Opinion in the forthcoming year given the lack of certainty in relation to the College's financial position

GD/JV/JT

particularly as a result of the COVID 19 impacts on College finances.

The Committee approved the report subject to revisions to be agreed with J Vincent and J Thomson.

20.21 COLLEGE ASSURANCE FRAMEWORK

J Thomson spoke to the report.

J Thomson agreed with the Committee that the purpose of the planned assurance mapping exercise is to capture the methods of assurance across the College and identify and potential gaps or overreliance on any one assurance route. The Committee noted that the assurance mapping exercise is intended to be completed by end June. JT will discuss the options for possible training for Committee members with the Clerk and a further report on the Assurance Framework will be provided to the next meeting.

JT

20.22 COLLEGE STRATEGIC RISK REGISTER

J Thomson was invited to speak to the Report.

J Thomson took the Committee through the risk register highlighting the risks which have been amended to reflect the impact of COVID-19.

The Committee agreed that the Governance Risk G1 should also be amended to reflect the uncertainty of the COVID-19 impact.

The Committee noted that the report has been sent to the Finance and Resources Committee and asked that it be amended before submission to the Board in June.

JT

20.23 AUDIT COMMITTEE REMIT

The Committee considered its current remit and agreed that this remains relevant and appropriate.

The Committee requested that the Board be advised of this decision.

CMcC

20.24 INTERNAL AND EXTERNAL AUDIT ROLLING ACTION PLAN

T Elliott took the Committee through the Report.

The Committee noted that two actions were fully implemented and four were partially implemented or within timescales.

D Archibald and S Inglis left the meeting.

20.18 EXTENSION OF APPOINTMENT OF INTERNAL AUDITOR FOR 2020/21

J Thomson spoke to the Report. The Committee agreed that, **JT**
in the exceptional circumstances, the contract for internal
audit should be extended for one further year, with a tender
process to be carried out the following year i.e. for 2021/22.

20.25 EQUALITY IMPACT OF DECISIONS MADE

There were no decision with an equality impact..

**20.26 REVIEW OF PAPERS (INCLUDING DISCLOSABLE
STATUS)**

The Committee discussed the disclosable status of the
papers and it was agreed that those papers which were to be
amended were not to be disclosed until the final versions are
approved and the other items are as per their indicated status
on the papers.

20.12 ANY OTHER BUSINESS

None

DATE OF NEXT MEETING

Wednesday 30th September 2020 at 4.30pm, The Space,
Langside Campus.