

**NOTES OF THE TWENTY NINTH MEETING OF THE AUDIT COMMITTEE
HELD ON 26 MAY 2021 at 4.30PM. THE MEETING WAS CONDUCTED
REMOTELY DUE TO COVID-19 RESTRICTIONS.**

PRESENT:

David Watt	Committee Chair
Michael Payne	Committee Member
Margaret Swiderska	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	Azets Audit Services (External Auditors)
Adrian Kolodziej	Azets Audit Services
David Archibald	Henderson Loggie (Internal Auditors)
Christine McConnell	Clerk to the Board (Minute Taker)

21.11 WELCOME AND APOLOGIES ACTION

The Committee Chair welcomed everyone to the meeting.
Apologies were noted from Kacper Kacica.

21.12 DECLARATIONS OF INTEREST

D Watt declared that, in relation to Agenda Item 21.17 and Item 21.23, he is member of the Advisory Audit Board of Scottish Public Sector Ombudsman and has recently been appointed Chair of the Advisory Audit Board of the Scottish Information Commissioner.

J Vincent declared his conflict with the sections of the Whistleblowing Policy at Item 21.17 which deal with disclosures in relation to the Principal.

D Archibald declared an interest in Agenda item 21.26.

No other declarations of interest were received.

21.13 MINUTES OF MEETING HELD ON 3 MARCH 2021

The Minutes were accepted as a true and accurate record of the meeting.

21.14 MATTERS ARISING – ACTION GRID

The Committee noted that all actions on the Action Grid were either complete or for discussion on the meeting agenda.

21.15 AUDIT COMMITTEE SCHEDULE OF WORK

The Committee noted the Schedule of Work for the Audit Committee.

21.16 INTERNAL AUDIT REPORTS

D Archibald spoke to the three reports which were presented to the Committee.

DELIVERY OF EFFICIENCY SAVINGS PLAN

The Committee was pleased to note that the report provided a “Good” level of assurance with no recommendations.

The Committee noted that the voluntary severance scheme is ongoing, with decisions recently made on the third tranche of applications. Therefore the full impact will not be known until after the summer. This will be reported to Finance and Resources Committee and to the Board of Management.

RISK MANAGEMENT / BUSINESS CONTINUITY

The Committee noted the report’s conclusion that there is a “Satisfactory” level of assurance in this area with only four low priority recommendations to build on existing good foundations.

The Committee particularly welcomed the recommendation to link the identified risks in the Strategic Risk Register to the College’s Key Performance Indicators and noted that the Vice Principal, Resources & College Development will take forward the recommendations.

DIGITAL/ IT STRATEGY IMPLEMENTATION

D Archibald spoke to the report.

The Committee noted that the report concludes that there is a “Satisfactory” level of assurance with one medium priority recommendation in the report.

J Vincent advised the Committee that work is ongoing to embed the College’s Digital Strategy across all areas of activity.

The Committee noted the report, commenting that it provided an indication of a strong management structure in an important area.

21.17 UPDATE ON ACTION FROM FRAUD AND BRIBERY PREVENTION DETECTION AND RESPONSE REPORT

C McConnell spoke to the report which asked the Committee to consider a revised Whistleblowing Policy and Whistleblowing Procedure, noting the various sources of material consulted in the course of making the revisions.

The Committee suggested that the Procedure may benefit from inclusion of reference to handling reports from outside bodies. CMcC

The Committee noted that the Procedure does not cover students and recommended that the process for student complaints be cross-checked to ensure there is a sufficient route to address any serious concerns from students. CMcC

The Committee agreed to recommend approval of the Whistleblowing Policy to the Board and approved the Whistleblowing Procedure. CMcC

The Committee noted that the revisals will be discussed with the relevant Trade Unions at a local level as whistleblowing does not form part of the National Bargaining Agreement.

21.18 INTERNAL AUDIT PLAN PROGRESS

The Committee noted the good progress which has been made on the internal audit plan.

21.19 EXTERNAL AUDIT PLANNING MEMORANDUM FOR 2020-21

Gary Devine and Adrian Kolodziej took the Committee through the External Audit Planning Memorandum for 2020/21 which contains information on the nature and scope of the audit work for the year.

The Committee noted the level of materiality and was satisfied with the approach described.

The Committee discussed the key risk areas as follows:-

- Risk of management override;
- Revenue recognition;
- Risk of Fraud in the recognition of expenditure;
- Pension Assumptions;
- Estate valuation.

The Committee questioned the level of challenge expected in relation to the actuarial pension assumptions and was content with the proposal to document any discussion and share that with the Committee.

The Committee noted that arrangements are in place to conduct the audit remotely should this be required and discussed the benefits which can arise from a hybrid approach whereby key documents can be uploaded to a portal in advance of fieldwork.

The Committee also noted that the risks to the College's financial sustainability in the medium to long term will be reviewed as part of the auditor's wider scope responsibilities.

The Committee encouraged the Principal to discuss fees separately with the Auditors.

The Committee noted the External Audit Planning Memorandum for 2020/21.

21.20 FRAUD RESPONSE PLAN UPDATE

J Thomson spoke to the amended Fraud Response Plan which was included with the papers. The Committee suggested that the plan should clarify the person responsible for reporting any incident to the College's insurers.

The Committee approved the Plan and recommended that this be shared with the Board, if required. JT

21.21 COLLEGE STRATEGIC RISK REGISTER

J Thomson spoke to the changes to the Risk Register which had been presented to the Committee and explained why they had been made.

The Committee was pleased to note that mitigating actions have been categorised as short or long term and thanked the management team for the work which has been done in this latest iteration. Further amendments to the approach will be incorporated in responding to the internal audit report (21.16).

21.22 APPROVAL OF ACCOUNTING POLICIES

The Committee noted the limited changes to the proposed Accounting Policies as discussed by T Elliott in her report.

The Committee noted that the changes had been discussed with the auditors and approved them.

21.23 DATA PROTECTION UPDATE

NOTE: Mairead Wood attended to present the report which was heard after Agenda Item 21.19.

The Committee welcomed Mairead Wood to the meeting as the College's Data Protection Officer as required by UK GDPR. The Committee heard of the advice and guidance provided across the College to ensure it meets its data protection responsibilities.

The Committee also heard of the range of Data Protection Policies and Procedures which are in place and of the staff training and development which had been provided.

Mairead informed the Committee of the numbers of Subject Access Requests which had been received together with other requests under the UKGDPR.

The Committee discussed a data security incident which had been reported to the Scottish Information Commissioner and was satisfied with the steps taken to avoid a recurrence.

The Committee received confirmation that the key risks in relation to data protection have been captured on the risk register.

21.24 CYBER SECURITY UPDATE

Scott Renton, Head of Information Technology attended for this item which was heard immediately after Item 21.23.

The Committee welcomed Scott Renton's report which outlined the various steps being taken to prevent against a cyber-attack and was satisfied with the arrangements he described to ensure that business critical data is backed up secretly.

The Committee asked that any serious incidents should be reported to it and noted the report.

Items for Information/Noting

21.25 INTERNAL AND EXTERNAL AUDIT ROLLING ACTION PLAN

The Committee discussed the actions detailed in the plan. The Committee recommended that the action in relation to the Digital Devices Loan process should be moved to the “Partially Implemented” section until the recommendation has been implemented.

TE

The Committee discussed the longstanding action to standardise HR Procedures and noted the difficulty with implementing this recommendation. The Committee agreed that this should remain on the internal audit rolling action plan.

The Committee noted the action plan.

21.26 APPOINTMENT OF INTERNAL AUDIT SERVICES

D Archibald left the meeting.

J Thomson updated the Committee on the process for appointment of internal auditors using the APUC Framework Agreement.

The Committee was content with the arrangements.

21.27 EQUALITY IMPACT OF DECISIONS MADE

There were no decision with an equality impact.

20.28 REVIEW OF PAPERS (INCLUDING DISCLOSABLE STATUS)

The Committee discussed the disclosable status of the papers. The Committee agreed that papers should be disclosed as noted on each report with the exception of the Agenda Item 21.24 Cyber Resilience report which should be non – disclosable in so far as the content relates to the security of the College’s IT systems.

21.29 ANY OTHER BUSINESS

The Chair invited J Thomson to inform the Committee of the progress of the request for the annual Certificate of Assurance which has only recently been received.

The Committee noted that the Principal will obtain confirmation across all necessary College areas and will sign the Certificate on behalf of the College.

The Committee asked to receive a copy of the signed Certificate, together with a summary of the supporting assurances obtained by the Principal.

JT

DATE OF NEXT MEETING

Wednesday 29TH September 2021 at 4.30pm.

Location TBC