

## **NOTES OF THE MEETING OF THE AUDIT COMMITTEE HELD ON 27 SEPTEMBER 2023 AT 4.30PM.**

The meeting was held via teams.

### **PRESENT:**

David Watt	Committee Chair
Andrew Jack	Committee Member
Rena McAdam	Committee Member
Lindsey Paterson	Committee Member
Stuart Porteous	Committee Member
James Olatoke	Co-opted Committee Member

### **IN ATTENDANCE:**

Jon Vincent	Principal
Graham Francis	Data Protection Officer (item 23.41 only)
David Archibald	Henderson Loggie, Internal Auditor
Stuart Nugent	Audit Scotland, External Auditor
Alison Turner	Audit Scotland, External Auditor
Kirsty Mavor	Clerk to the Board (Minute Taker)

## **ACTION**

### **23.34 WELCOME AND APOLOGIES**

D Watt welcomed everyone to the meeting including the new Committee members, A Jack, R McAdam, L Paterson and S Porteous. Apologies were noted from M Payne and T Elliott.

### **23.35 DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **23.36 MINUTES OF MEETING HELD 31 MAY 2023**

The Minutes were agreed to be an accurate record of the meeting.

### **23.37 MATTERS ARISING – ACTION GRID**

The Committee noted the Action Grid and that some items have been carried over until the next meeting due to the Vice Principal role being vacant. K Mavor confirmed that the Organisational Development Committee had reviewed the level of PDP completion and, while there has been some improvement in engagement levels, further discussions will take place at the next Organisational Development Committee meeting.

### **Items for Discussion/ Decision Systems of Internal Control**

### **23.38 UPDATED INTERNAL AUDIT PLAN 2023/24**

D Archibald presented this item and confirmed that the internal audit plan was first considered by the Committee at its 31 May 2023 meeting. It was agreed at the May meeting that the audit of staff recruitment and retention would be delayed one year to 2024/25 resulting in a decrease of audit days

from 58 to 53 days. Given the current challenges facing the College, the Committee considered whether the Internal Audit Plan was the right approach for the College. The Committee discussed whether it was appropriate to delay the internal audit of risk management given the current VP vacancy. On the basis that the recent changes to the strategic risk register were largely presentational and recognising the resource challenges facing the College, it was agreed that the internal audit of risk management should be delayed for a year.

The Committee approved the Internal Audit Plan for 2023/24 on the basis the field dates for completion of the internal audits are to be agreed with management.

### **23.39 INTERNAL AUDIT REPORTS FOLLOW UP REPORTS**

D Archibald presented this item and confirmed that since the report was drafted the position has improved slightly. The College has made progress in implementing recommendations with 13 of the 24 recommendations past the due date being categorised as 'fully implemented'. Eight recommendations have been categorised as 'partially implemented' and three as 'little or no progress made'. D Archibald confirmed that the recommendations that have not been fully implemented will be reviewed in the next formal Follow Up Review exercise

The Committee noted the report and its connection to the internal tracker which helps the College with ensuring there is momentum in progressing follow up actions. It was agreed that the next cyber report should provide an update on progress in relation to cyber training. Also, John Rafferty, Deputy and Vice Principal, Curriculum and Quality Enhancement, should be asked to attend the March Audit Committee meeting to provide an update on teaching and room utilisation.

**SR**

**KM**

## **Governance and Risk Management**

### **23.40 COLLEGE STRATEGIC RISK REGISTER**

J Vincent presented this report and advised that of the thirteen risks identified, there are two areas with a high residual risk score after mitigating actions, eight have a medium residual risk score and three have a low residual risk score. The risks with a high residual risk score have decreased from three to two since last reported.

The three highest risks after mitigating action in the College Strategic Risk Register are as follows (i) failure to manage financial sustainability through the period of the financial plan followed by (ii) implications of national bargaining and possible negative impact on employee relations and (iii) failure to maintain and develop appropriate accessible, dynamic, flexible

learning and social spaces which is fit for purpose for teaching and learning and staff working environment. With regard to (iii) the Committee discussed the approach taken to RAAC by the College and noted the College was reporting weekly to SFC. The Committee discussed the impact of the lack of investment in IT infrastructure and agreed that this should be more specifically addressed in the risk register. **JV**

The Committee thanked J Vincent for the update. It was noted that the Committee would have to give particular attention to how the financial challenges facing the College are addressed in the annual accounts.

#### **23.41 DATA PROTECTION UPDATE**

G Francis joined the meeting to present this item. For the benefit of the new Committee members, he provided details of his professional background and confirmed his role within the College.

G Francis confirmed that it had been a relatively quiet period over the summer break with few data subject requests. Three out of four of the requests were completed within the time period with one taking slightly longer due the volume of emails requested. Details were also provided of new legislation and of one data incident.

The Committee thanked G Francis for attending the meeting.

#### **23.42 INTERNAL AND EXTERNAL AUDIT ROLLING ACTION PLAN**

The Committee noted the report which provided an update on the implementation status of previous internal and external audit recommendations. As of 18 September 2023, there are eleven previous recommendation items of which seven are shown as partially implemented and/or within timescale and four are fully implemented

#### **23.43 AUDIT SCOTLAND REPORT: SCOTLAND'S COLLEGES 2023**

J Vincent confirmed Audit Scotland published its Annual Report on the College sector in Scotland on Thursday 7 September 2023. The key messages contained in the report were:

- Scotland's colleges are vital to learners and local communities. Risks to the college sector's financial sustainability have increased since they last reported in 2022. Rising staffing costs are Colleges' biggest financial pressure;
- the Scottish Government's funding for the sector has reduced by 8.5 per cent in real terms between 2021/22 and 2023/24, while the sector's costs have increased. Effective, affordable workforce planning is now a greater than ever priority and challenge for Colleges; and
- significant changes to how the College sector operate have been recommended by recent reviews. However, the Scottish Government and the Scottish Funding Council (SFC) urgently need to build on their ongoing work to help Colleges to plan for change

now and make best use of available funding so that they are sustainable for the future.

The Committee discussed the report and S Nugent confirmed that he would advise the Committee if it discussed by a parliamentary committee. With regard to the College's financial sustainability it was agreed the College would need to provide GCRB with assurances about the College's position. **JV**

**23.44 SFC FINANCIAL MEMORANDUM**

J Vincent provided the Committee with a detailed chronology of events which led to receiving a letter from SFC advised that there had been a breach of the financial memorandum. J Vincent confirmed that the College has sought advice from its legal advisors on whether the agreement reached required prior approval by the Scottish Funding Council. The advice the College received was that SFC approval was not required and this advice was followed.

The Committee was satisfied the purported breach of the financial memorandum was unintentional and that the College had acted properly when following legal advice. It was agreed that further clarification should be sought from GCRB about how this matter should be addressed in the governance statement within the financial accounts. The approach should also be discussed with the auditors and further details provided about when the sums paid were accrued. **JV**

**23.45 AUDIT COMMITTEE SCHEDULE OF WORK 2023/24**

As referred to earlier, John Rafferty is to be invited to the March meeting to provide an update on business utilisation. A meeting between the Chair and S Nugent is also to be arranged prior to the November meeting to discuss the annual accounts. **KM**

**23.46 ANY OTHER BUSINESS**

There was no other business.

**DATE OF NEXT MEETING**

4.30pm on Wednesday 22 November 2023.  
Langside Campus

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