

NOTES OF THE MEETING OF THE AUDIT COMMITTEE HELD ON 5 MARCH 2025 AT 4.30PM.

The meeting was held online.

PRESENT

Lindsey Paterson	Committee Member (Chair)
Rena McAdam	Committee Member
Michael Payne	Committee Member
Stuart Porteous	Committee Member
Martina Tuskova	Committee Member

IN ATTENDANCE

Niall Macpherson	Chief Operating Officer (left at 25.17)
Peter Fee	Assistant Principal Finance & Facilities (left at 25.17)
Jon Vincent	Principal and Chief Executive Officer (left at 25.17)
David Archibald	Henderson Loggie
Stuart Nugent	Audit Scotland
Lisa Duthie	Audit Scotland
Graham Francis	HEFESTIS (left 25.05)
Jennifer Hunter	Clerk to the Board

25.01 Welcome and Apologies

Lindsey Paterson welcomed everyone to the meeting and confirmed that agenda item 25.09 would be taken directly after 25.04.

LP welcomed Lisa Duthie to the meeting for the first time and facilitated introductions to all attendees.

25.02 Declarations of Interests

There were none.

25.03 Draft Minute of the Audit Committee meeting 20th November 2024

The minute of the last meeting was agreed as an accurate record.

25.04 Matters Arising – Action Grid

Niall Macpherson spoke to the Matters Arising Grid and confirmed that he and Lisa Duthie are working on sustainability reporting.

LD noted that Audit Scotland published good practice guidance in November which includes samples of audited bodies and focuses on good practise scenarios for improvement around sustainability disclosures. Audit Scotland have also shared the

Scottish Government guidance on sustainability disclosures and the expectations around that. What exactly Colleges will be asked to do, in terms of account direction is still to-be-confirmed by the Scottish Funding Council.

NM confirmed that the certificate of assurance is due to come to the May meeting of the Audit Committee.

Clerk

25.09 Data Protection Update

Graham Francis provided an update on changes to Data Protection Legislation. The Government introduced the Data (Use and Access) Bill in the King's Speech. The Bill began its passage in the House of Lords and is currently at the Second-Reading stage. The Bill is then due to be passed to the House of Commons where it will undergo three further readings. It is likely that the Bill will pass and receive Royal Assent in Spring/Summer 2025.

GF noted that there are no direct safeguarding concerns in terms of the impact of Deep Seek on the college, though there is concern about how much the content and messaging could be manipulated. All users should be reminded that they should not provide personal or private information to systems which are not officially approved. This is especially true of Deep Seek due to its excessive data collection. As previously advised, it is recommended that the college considers the information in place on the JISC AI Tools website (see AI Tools - Artificial intelligence (jiscinvolve.org)) which provides concise information about a wide range of AI applications currently in use.

The Committee asked if there's anything the College should address specifically? GF advised that the IT Department would be making decisions around this, the dangers are currently around the amount of information that Deep Seek would like to hold. NM will confirm at a future meeting, if he is comfortable that the College has everything in place to cover risk from AI.

NM

GF confirmed there have been five Subject Access Requests, two Third Party Requests and three Right to be Forgotten requests made between July 2024 and February 2025. There has been one data breach reported during 2024/25 academic year to date.

Items for Discussion/Decision

Systems of Internal Control

25.05 Internal Audit Reports as per plan

The purpose of the paper is to submit to the Committee, for discussion, the following reports which have been produced by the College's Internal Auditors, Henderson Loggie:

- Budgetary Control
- Student Welfare and Duty of Care
- Corporate Governance

Budgetary Control

David Archibald spoke to the report and noted that the Budgetary Control internal audit report concludes that there is a good level of assurance in this area meaning that the system meets control objectives. There are no recommendations in the report. No material weaknesses were found but an observation on the rigour of the budget process and the requirement to continually challenge assumptions was noted.

The Committee asked if DA was comfortable with the levels of stress testing and linking to planning processes to mitigate against risk. DA confirmed that in his view an element of stretching assumptions takes place in planning for best case and worst-case scenarios based on the financial position over the period. LP thanked DA for a reassuring report and noted that the level of detail included in it is also helpful from the Committee point of view, to get a better understanding of the processes that are in place.

Student Welfare

DA spoke to the Student Welfare – Duty of Care internal audit report which concludes that there is a good level of assurance in this area meaning that the system meets control objectives. There are two minor weaknesses identified in the report which the AP – Student Experience is addressing, and processes / documentation will be updated accordingly. As a result, the Internal Auditors have raised no recommendations within the report.

The Committee asked how the College make sure that support goes to individuals who need the support and enquired if there are processes that the College uses to make sure that support goes to the right individuals? Jon Vincent noted that the onboarding process of students coming to the college will highlight a number of risk factors that might mean that the College can take a proactive stance in terms of welfare safeguarding arrangements. The College has a student induction, there's a very comprehensive part of the induction process which makes students aware of where they can find help and support. Furthermore, students have a pastoral tutor that's aligned to them, who meets with them regularly as part of their programme. If there is a need to signpost students into other parts of the organisation to receive support, tutors will endeavour to do so.

Clerk to confirm with the Committee if an annual safeguarding information currently goes to the Board of Management.

Clerk

The Committee suggested that training for mentors could be useful to help to ensure that all tutors understand the emotional needs of students, allowing students to thrive fully and to remain on course. JV agreed and noted that the College has recently been

undertaking groundbreaking work led by Claire Glenn and Claire Donohue, which supports members of staff to understand students' needs.

Corporate Governance

DA spoke to the Corporate Governance Report and noted that the primary rationale for completing this exercise was to provide Board Members with the opportunity to highlight any improvements required in the existing governance arrangements, so that these could be added to the Board Development Plan for 2024/25 which was presented to the 11 December 2024 meeting of the Board. The Review of Corporate Governance will allow any improvement actions identified to be addressed in advance of the next Externally Facilitated Effectiveness Review.

The Internal Auditors, conclude, that from a Board Member perspective, the College governance arrangements are operating well, with a number of strengths highlighted. The information gathered from the one-to-one discussions, highlighted some potential improvement areas, which are designed to enhance the existing governance arrangements and build on the solid foundations already developed. Improvement areas included for example: reporting to the Board of Management on the College partnership with Glasgow Kelvin College and Glasgow City College and providing feedback to the Board, on how the output from groups discussions is then used by the Executive Team in decision-making.

LP thanked DA for the report.

25.06 Internal Audit 2024/25 Plan Progress

DA confirmed that while some reports have switched places with others to make the best use of time, the plan progress is on-track with no delays.

Financial Reporting

25.07 External Auditor Update Governance and Risk Management

Stuart Nugent confirmed that he will no longer be the auditor for Glasgow Clyde College and that LD has stepped into this role. SN has taken up the role of College Sector Lead.

LD noted that the team are carrying out their work slightly earlier this year and will be onsite in April, and as such may be able to bring some findings to the May meeting of the Committee.

25.08 College Strategic Risk Register

NM spoke to the Risk Register and noted that the College now meets quarterly with the insurance broker. AJG, the College's insurance broker undertakes an annual review of emerging risks and has identified Cyber Security and Artificial Intelligence as areas of potential concern. For Cyber, they recommend upgrading the risk management procedures and considering cyber cover – both of which the College has done, For AI, at the moment they advise remaining vigilant to the threat of language

models hacking into specific pieces of software and social engineering risk where a malicious actor can gather information on businesses and people much easier than previously.

No risks have increased, RE11 (Health and Safety), RE2 (National Bargaining) and RE3 (SFC Credit Targets) have been reduced, while RE1 (Financial Sustainability), RE4 (Business Continuity), RE8 (Effective Culture), RE14 (AI), RE5 (Climate Change Targets), RE6 (Health and Wellbeing), RE7 (Student Success Targets) , RE9 (Recruitment) and RE12 (Curriculum), RE10 (Student Experience) and R13 (Data) remain the same.

The Committee requested further consideration of the reclassification (upwards) of RE3 (National Bargaining). **NM**

The Committee welcomed the newly developed risk appetite level and are keen to see how this work continues to develop. The Committee would like the risk appetite to be refined further as it was defined with reference to financial and commercial consideration which may make some of the assessments seem not quite right (for example Business Continuity). NM will continue to develop the risk appetite.

Clerk/NM

The Committee requested that RE4 be considered for a new level option as the current one is potentially wider than what is practiced. The Committee discussed the communications and reputational risk of GCRB closing down which NM will continue to consider within the register.

NM

25.09 Data Protection Update

This item was taken after 25.04.

Items for Information/Noting

25.10 College Assurance Framework Update

The Committee noted that the updated College Assurance Framework & Certificate of Assurance is scheduled to come to the May Audit Committee meeting.

Clerk

25.11 Internal and External Audit Rolling Action Plan

Peter Fee spoke to the report, which is provided to each Committee meeting to update on the implementation status of previous internal and external audit recommendations which have not already been reported as fully implemented. The purpose is to ensure that all recommendations are followed through to full implementation.

Within the action plan, as at 5 March 2025, there are five previous recommendations which are still to be fully actioned/completed. All outstanding items are progressing and as such PF has no concerns.

The Committee noted the report.

25.12 Audit Scotland Fees

PF confirmed that Audit Scotland fees will increase by 1.9% for 2024-25. LD confirmed for context that the 1.9% increase is to the baseline audit fee, which is across the public sector and is consistent across all sectors this year. JV noted that although 1.9% is preferable to a higher increase, in recent years fees have been increased as much as 6% which was difficult for the college. LD advised that there is a complaints procedures available which can be accessed by writing to the quality and appointments team directly.

25.13 Audit Committee Schedule of Work 2024/25

The Schedule of Work was noted.

25.14 SFC Update

NM noted that SPPA Pension – funding has now been received to pay for the Employer Contribution uplift from 23% to 26% effective with effect from April 2024.

National Insurance – Scottish Funding Council have confirmed that they will fund 60% of the NI increase. With effect from April 2025, Employer Contributions will increase from 13.8% to 15.0% and the lower earnings limit will reduce from £9,100 to £5,000. This change will bring significantly more earnings into scope with the full year cost to the College estimated at £0.9m.

25.15 Board Diversity

JH noted that the Board Development Plan 2024-25 includes an action to improve the diversity of the Board. The Board Development Plan requires us to monitor the Board's diversity and to consider new approaches to advertising roles to reach out to a wider range of applicants. Board Diversity is now a standing item on Nominations Committee, Audit Committee and Board of Management Agendas.

From the next meeting of the Audit Committee, JH will include Board tenure information as well as list of which Board members sit on which Committees. This will allow the Audit Committee to have an increased awareness of when there are opportunities for new Board members and Committee members arising, which will prompt discussions about where and when to advertise vacancies.

25.16 Any Other Business

SN suggested that it may be useful, as regards the agenda item 'updates from SFC' to consider using the annual letter from Scottish Government to Scottish Funding Council. The letter covers strategic direction and the impact on Colleges. The most recent letter was published in December 2024.

25.17 Private meeting with internal and external auditors

NM, PF and JV left the meeting. The Committee moved to private session.

Date of next meeting: 28 May 2025