

**Minute of the Audit Committee Meeting
Held on Tuesday 15 September 2020
Via Video Conference using Zoom**

Present: Hazel Murphy (Chair)
Elaine Anderson
Margarette Bryan
Scott Cooley

In attendance: Yvonne Melvin (Board Administrative Officer)
Michael Breen (Vice Principal - Finance)
Anne Campbell (Vice Principal – Curriculum)
Jane McKie (Vice Principal – People)
James Thomson (Director of Finance, Student Funding & Estates)
Tony Barrie (BDO – Internal Auditors)
Claire Robertson (BDO – Internal Auditors)
Joanne Buchanan (Mazars – External Auditors)
Suzie Graham (Mazars – External Auditors)

1 Welcome and Declarations of Interest

The Chair welcomed everyone to the meeting.

There were no declarations of interest.

2 Apologies

Apologies were received from Committee members Steve Graham and Alison Sutherland, and from Board Secretary Brendan Ferguson.

There were no declarations of interest.

3 Minutes of the Previous Meeting held on 9 June 2020 (Paper 1) C/P

Page 2, Item 5 (ii), Line 7 – wording to be amended to state “These lessons would be *automatically* incorporated into the 2020/21 review of the Document for approval by the Audit Committee”

Page 3, Item 5 (v), Line 11 – wording to be amended to state “A Campbell advised that all Awarding Bodies have their own arrangements for ensuring Centre compliance with Quality Assurance”

Page 3, Item 5 (v), Line 29 – action to be amended to state “BDO to scope out the proposal, including the objectives for such a review, and provide feedback at the next meeting of the Committee”

The minutes were approved as a correct record, subject to the above amendments.

Proposed: Elaine Anderson

Seconded: Scott Cooley

Audit Action Tracker (Paper 1A) (P)

Action 1 The Committee agreed this would be dealt with on the main agenda.

Action 2 The Committee agreed this would remain on the Action Tracker.

4 Matters Arising

There were no matters arising not dealt with on the Agenda.

5 Audit Committee Terms of Reference and 2020-21 Workplan (Paper 2) (P)

In the absence of the Board Secretary, H Murphy introduced Paper 2 as presented. It was noted that the name of the Audit Committee and its terms of reference were reviewed in light of the amended Treasury and Scottish Government guidance. The proposed amendments were designed to ensure that the importance of the role of the Committee, in relation to monitoring Corporate Risk Management and advising the Board accordingly, were clear, unambiguous and fully in line with Government guidance.

The Terms of Reference were approved as presented.

The 2020-21 Committee Workplan was approved subject to the inclusion in the cycle of a Committee meeting with the Auditors without the presence of Management.

6 Internal Audit - BDO

i. Internal Audit Report 2019-20 – Financial Controls (Paper 3) (P)

T Barrie took the Committee through Paper 3, its conclusions and recommendations, explaining the findings reached. In summary, T Barrie concluded that the review identified several elements of good practice, with only one recommendation identified, designed to ensure further clarity in future audit trails.

This was discussed in further detail by the Committee and a number of questions of clarification were asked and answered satisfactorily.

The Committee approved the Report and its recommendations.

ii. Internal Audit Report 2019-20 – SFC Returns (Paper 4) (P)

T Barrie took the Committee through the conclusions and recommendations of Paper 4 and explained the findings reached. In summary, T Barrie concluded that the review identified areas of good practice, with a number of recommendations identified to further enhance the operational effectiveness of the MYR processes. T Barrie also advised that the mid-year FFR had been submitted to SFC by the revised submission deadline date of 20 April 2020.

J Thomson highlighted to the Committee that there were no issues to report in respect of the Colleges submissions to SFC and that the recommendations identified would, once implemented, further assist with future audits.

The Committee approved the Report and its recommendations.

iii. Internal Audit Terms of Reference – COVID-19 - Health & Safety (Paper 5)
(P)

T Barrie introduced Paper 5 as presented, advising that the purpose of this review would be to gain assurance that health & safety arrangements adopted for the re-opening of campuses were suitable in ensuring the safety of staff and students. It was noted that this internal audit, if agreed, would use the agreed five days to review provision, in the light of Government Guidelines, as the College emerged from Covid-19 restrictions.

A discussion followed during which the Committee was reminded that there was no immediate requirement to use the additional 5 days outlined in the 2020-21 Audit Plan and that the College was currently using individual Risk Assessments for each area to ensure fluidity in the Colleges reaction to changes to the sector as a result of COVID-19 both locally and nationally. It was agreed that the fluid nature of the COVID-19 situation would ultimately result in the internal audit providing a retrospective report of limited value.

The Committee agreed that it would not be the best use of the Internal Auditor time to produce the proposed Report.

iv. Internal Audit Terms of Reference – COVID-19 - Quality & Assessment
(Paper 6) (P)

T Barrie introduced Paper 6 as presented, advising that the purpose of this review would be to provide both Management and the Committee with assurance over the arrangements and controls in place to assess and grade students throughout the period affected by Covid-19, to ensure the process was fair for students, that students would not be unfairly advantaged or disadvantaged, and that the process was compliant with the requirements of Awarding Bodies. It was noted that this internal audit, if agreed, would use the agreed five days to review provision, in the light of Government Guidelines, as the College emerged from Covid-19 restrictions.

A discussion followed during which A Campbell assured that Committee that guidance and requirements of Awarding Bodies had already evolved in response to the situation and that the limitations imposed by COVID-19 would not affect the assessment of students.

The Committee agreed that it would not be the best use of the Internal Auditor time to produce the proposed Report.

The Committee also agreed that alternative uses of the additional 5 days in the 2020-21 Audit plan should be discussed at future Committee meetings and should be used to incorporate and respond to changes in the COVID-19 situation.

Action: Alternative uses of the agreed five days to review provision, in the light of Government Guidelines, as the College emerged from Covid-19 restrictions in the 2020-21 Audit plan to be discussed at future Committee meetings.

v. Internal Audit 2019-20 – Progress Report at September 2020 (Paper 7) (P)

T Barrie introduced Paper 7 and directed members to the summary on page 4 of the document that listed the audits completed. It was noted that a follow-up report would be provided at the Committee's meeting in November 2020 and that the above report was in line with the expectations of the 2019-20 Internal Audit Plan as approved by the Committee

The Committee noted and approved the content of the Progress Report to date.

7 External Audit – Mazars

i. External Audit 2020-21 - Progress Report at September 2020 (Paper 8) (P)

J Buchanan (Mazars) introduced Paper 8, highlighting that it was the intention of the Auditor General for Scotland and the Accounts Commission for Scotland to extend the current audit appointments by one year due to the impact of the COVID-19 pandemic. J Buchanan then took the Committee through the sections of the Report as presented, setting out the progress made and what further work was planned prior to consideration by the December 2020 meeting of the Board. It was noted that the actions of the College during the COVID-19 lockdown and subsequent re-opening of campuses would be considered as part of the wider scope of work on governance. It was also noted that final audit fieldwork would be undertaken remotely in line with Government guidelines at the time and that no issues were foreseen. The Committee considered the progress made against the approved timeline and were content that the Audit was progressing as expected, with planning complete and fieldwork expected to be completed by October 2020. No significant issues had arisen to date.

The Committee discussed the Report further and a number of questions asked were given satisfactory responses.

The Committee noted and approved the content of the Paper 8.

8 Audit Scotland Report – COVID-19 Guide for Audit and Risk Committees (Paper 9) (P)

The Chair introduced Paper 9 for information and to give members further advise on the role and expectations of the Audit & Risk Committee during the COVID-19 pandemic.

The Committee noted and welcomed Paper 9.

9 Internal Audit Rolling Action Plan as at 18 August 2020 (Standing Report) (Paper 10) (P)

J Thomson introduced Paper 10, advising that a total of 2 audit recommendations had been actioned in the period. It was noted that the remaining outstanding action was in relation to the recommendation that that the Audit Committee meets with the External and Internal Auditors without management present on an annual basis. The Committee was reminded that this was scheduled to take place at the March 2020 Audit Committee, which was cancelled due to the COVID-19 pandemic.

The Committee discussed the outstanding action further. It was agreed that, to coincide with the timings of the various Audit Reports during the academic year, the Audit Committee would be best placed to meet with the External and Internal Auditors without management present annually at their November meeting.

The Committee noted and welcomed Paper 10.

Action: The Audit Committee is to meet with the External and Internal Auditors without management present at the November 2020 meeting.

10 BDO - Rethinking the Audit Committee; Areas for Considerations Sept 2020 (Paper 12) (P)

11 Date of Next Meeting – Tuesday 24 November 2020 at 4pm

P - Papers will be published on the College Website

R - Papers will not be published for reasons of commercial confidentiality or for reasons associated with data protection legislation

A/P - Already published on the College Website

C/P - Confirmed minutes will be published on the College Website

Reserved Items on the next page.