**Meeting of the Audit and Risk Committee Meeting
Held on Tuesday 14 September 2021
Via Video Conference using Zoom**

Present:

Steven Wallace   Chair
Steve Graham   Vice-Chair
Elaine Anderson   Non-Executive Board Member

In attendance:

Pauline Donald   Board Governance Advisor (Minutes)
Yvonne Melvin   Board Administrative Officer
Anne Campbell   Vice Principal – Curriculum
James Thomson   Assistant Principal - Finance, Student Funding & Estates
Clare Robertson   BDO – Internal Auditors
Joanne Buchanan   Mazars – External Auditors

1.   **Welcome and Declarations of Interest**

      The Chair welcomed everyone to the meeting. The Committee welcomed Steven Wallace as the new Committee Chair.

      There were no declarations of interest presented.

2.   **Apologies**

      Apologies were received from Committee members Matthew Wilson, Alison Sutherland, Scott Cooley, ELT Member Michael Breen (Vice Principal - Finance) and SLT member David Davidson (Assistant Principal, HR & OD). Apologies were also recorded from Chloe Ridley, Manager, BDO Internal Auditor.

      The meeting was confirmed as quorate.

3.   **Minutes of the Previous Meeting held on 24 November 2020** *(Paper 1)* C/P

      The minutes were approved as a correct record.

      Proposed: Elaine Anderson   **Seconded:** Steve Graham

      Audit Action Tracker *(Paper 1A) (P)*

      The Committee noted the update on actions as recorded on the action tracker. Two actions remain in progress as follows:

      • **16.03.21 Action No 9: Audit Development Session**
        J Thomson advised that the original discussion related to this action was the proposal to schedule an Audit Development Session to cover the topics of (a) the role of Internal and External Audit and (b) risk management training.

The Committee noted the request from a number of Board Members for a workshop on the College's risk management arrangements. The following was therefore proposed and agreed:

- Audit and Risk Committee meeting 23 November 2021: the meeting will commence with a 30-minute session covering the role of Internal and External Audit.
- Discussion with Board Chair to confirm risk management training as part of the Board Induction/Development Day on 4 November 2021.

Action: ARC2021/01-A01: Schedule 30-minute session prior to meeting on 23 November 2021 (Subject: role of Internal and External Audit)

Action: ARC2021/01-A02: Confirm risk management workshop for the whole Board on 4 November 2021.

- **08.06.21 Action No 2: Internal Audit report: focus of 5-day curriculum-based review - update**
  This item will be discussed at the Learning, Teaching and Quality Committee on 11 November 2021 and a further update provided to the Committee thereafter.

4. **Matters Arising**

There were no outstanding matters arising from the minutes.

5. **Membership, Terms of Reference, and Work Plan** *(Paper 2) (P)*

P Donald introduced Paper 2 advising the Committee of the annual requirement to review the Terms of Reference and define the corresponding Work Plan. In addition, the Committee was advised of the outcome of the review of the Committee membership undertaken by the Chair.

The Committee reviewed and considered the proposed amendments to the Terms of Reference and Work Plan. Two additional amendments were noted for inclusion to ensure alignment with the Board of Management Terms of Reference and Work Plan. Both amendments were scheduled for reporting to the relevant Committee meeting but were not shown on the paper presented. The amendments were as follows:

- Work Plan: Inclusion of Internal Audit Annual Report (November)
- Terms of Reference: amend wording related to Business Continuity Plan

Decision: ARC2021/01: D01
The Committee endorsed the revised Terms of Reference and the 2021/22 Work Plan for approval by the Board of Management.

6. **Internal Audit - BDO**

i. **Internal Audit Report 2020-21 – Curriculum Planning** *(Paper 3) (P)*

C Robertson introduced Paper 3 as presented. Internal Audit advised that they were able to give substantial assurance over the design and effectiveness of the controls in place around curriculum planning with no identified recommendations

to be taken forward. In response to a query from the Committee, Internal Audit confirmed that:

- the interview methodology for all audits is defined as per the identified objectives for each individual audit.
- the approach considers, for example, those who set policy and those that operate processes and therefore examines different viewpoints and different angles.

The Committee formally expressed their thanks to the Vice Principal - Curriculum and the Curriculum Planning Team in achieving an outstanding report particularly given the significantly challenging operational circumstances over the past year.

The Committee noted the report and the level of assurance received.

ii.   Internal Audit Report 2020-21 – Commercial Income *(Paper 4) (P)*

C Robertson took the Committee through Paper 4 as presented. Internal Audit advised on a generally sound system of internal control designed to achieve system objectives with some exceptions; identified as one medium and 3 low recommendations.

The Committee noted the key findings, corresponding recommendations and responses agreed by management as identified within the areas of due diligence, policies and procedures, business growth income strategy and Senior Leadership Team updates.

J Thomson confirmed that considered is a positive report, especially as it is an area being developed by the College. The audit recommendations are for the College to implement its existing internal controls with the view that the identified findings will continue to strengthen internal controls.

The Committee noted the report and the level of assurance received.

iii.   Internal Audit Report 2020-21 – IT Service Provision during COVID-19 *(Paper 5) (P)*

C Robertson took the Committee through Paper 5 as presented.   Internal Audit advised on a generally sound system of internal control designed to achieve system objectives with some exceptions; identified as one medium and 2 low recommendations.

The Committee noted the key findings, corresponding recommendations and responses agreed by management as identified within the areas of ICT service performance reporting, accuracy of monthly SLA team reports and completeness of staff guidance documentation.

J Thomson confirmed that the recommendations had been reviewed and agreed by management with the exception of ICT performance reporting which had been partially agreed as the type of information and frequency of reporting recommended did not add value to the College. The Committee noted:

- the management recommendation to provide strategic overview reporting to the Senior Leadership Team on a 6-monthly basis.

- the inclusion of 6-monthly reports on ICT activity to the BRIC Committee
- the inclusion of a new risk on the risk register related to cyber security.

The Committee noted the report and the level of assurance received.

iv. Internal Audit 2020-21 – Progress Report *(Paper 6) (P)*

C Robertson introduced Paper 6 and provided an overview of the work undertaken during 2020/21 and the associated outcomes. The Committee noted that an Annual Report will be submitted to the next meeting.

The Chair extended the appreciation of the Committee to Internal Audit and the management team in continuing to undertake and complete a full audit program during an unprecedented year. The Chair also acknowledged the efforts of the management team in achieving audit reports that demonstrate effective assurance on systems of internal control.

The Committee noted the report and the level of assurance received.

7. External Audit – Mazars

i. External Audit 2020-21 – Progress Report *(Paper 7) (P)*

J Buchanan introduced Paper 7 as presented and provided an update on the progress of the audit work program since presenting the Audit Strategy to the Committee in June 2021. The Committee noted that there are no significant issues to highlight at the current time.

The Committee noted the report and the level of assurance received.

8. Internal Audit Rolling Action Plan as at 2021 (Standing Report) *(Paper 8) (P)*

J Thomson introduced Paper 8 as presented and provided an update on the status of any outstanding recommendations from the internal audits that were due to have been completed by 6 September 2021.

The Committee noted that all recommendations had been completed to timeline with no remaining points due for completion.

The Chair commented on the good practice of ensuring that the Audit and Risk Committee are effectively advised on progress of any outstanding audit actions; and the commitment of management to ensure completion to timeline.

The Committee noted the report.

9. Date of Next Meeting – Tuesday 23 November 2021 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, C/P - Confirmed minutes will be published on the College Website

Reserved Items on the next page.