

# A

## Audit Committee

Meeting at 17:30 on Thursday 11 May 2023

### MS Teams

#### Actions



Item	Action	Responsibility and Date	Action Status
26/23	Director for IT & Digital will forward on the slides from Phishing presentation.	S Moncrieff	Complete
28/23	Number of budget holders in the College to be confirmed and shared with the membership.	N Hamilton/Wylie & Bissett	
29/23	Wording around success rates to be re-considered to reflect the College aim to be the best rather than average.	N Hamilton/Wylie & Bissett	
30/23	Amend Internal Audit plan to include 2024/25 Audit plan, which should include budget setting.	VP F&CS	Current contract with Wylie & Bissett ends 31/7/2024, it is therefore not appropriate for them to develop the 24/25 Audit Plan.
32/23	Financial Regulations – amend to table format and re-circulate to members  Financial Regulations – to be formally noted on a yearly basis.	VP F&CS	Complete - amendments made. Scheduled on audit agenda.
33/23	Anti-Bribery policy to be reviewed and amended to bring in line with the Financial Regulations.	VP F&CS	Complete - amendments made.
34/23	Anti-Fraud and Corruption policy – review of wording in relation to punishment of perpetrators.  Check there is enough mention of Police highlight to members.	VP F&CS	Complete - amendments made.
36/23	Strategic Risk Register – further discussion and decision to be reached around how often to report and which Committee's to report to.	VP F&CS C Gillie R McCowan I Earp	Complete - draft proposals completed by K Robb for consideration by the Audit Committee and Board.
37/23	Business Continuity Plan - paper to be taken to SLT to discuss best ways of communicating this.	VP F&CS	Complete - Discussed at SLT.
38/23	Discussion to be had around the wider issue of gifts.	C Gillie R McCowan	Procedure has been enhanced and updated with

			several exchanges between K Robb, C Gillie and R McCowan. Latest version going to Audit Committee for approval.
42/23	Papers for publication to be agreed outwith the meeting.	C Gillie I Earp	



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**Meeting at 17:30 on Thursday 11 May 2023**

**MS Teams**

**MINUTES**

ITEM	MINUTES
Present	Carol Gillie (Chair) Ann McKerracher Vernice Key
In Attendance	Kirsty Robb (Vice Principal, Finance & Corporate Services) Ingrid Earp (Board Secretary) Scott Moncrieff (Director of IT & Digital) Ray McCowan (Regional Board Chair) Neil Hamilton Wylie & Bisset (Internal Auditors) David Eardley Azets (External Auditors) Suzie Hartley (Minutes)
<b>20/23</b>	<b><u>Chair's Welcome</u></b> The Chair welcomed everyone to the meeting.

21/23	<p><b><u>Declaration of Conflict of Interest</u></b> No conflicts of interest were noted.</p>
22/23	<p><b><u>Register of Members' Interest</u></b> Members did not have any changes to their Register of Interest.</p>
23/23	<p><b><u>Apologies for Absence</u></b> Apologies were received from P Macdonald and S Brook, Wylie &amp; Bissett. N Hamilton attended in her place.</p>
24/23	<p><b><u>Minutes of Previous Meeting held on 24 November 2022 (Paper A)</u></b> The minutes from the last meeting were approved as an accurate record of the meeting.</p> <p>The proposal to introduce a separate action tracker will be reviewed at the end of the year by the Board Secretary and Board Chair following consultation with the other Board Committee's.</p> <p>The following updates to actions were provided;</p> <p>08/23 &amp; 09/23 – Anti-Bribery Policy and Anti-Fraud and Corruption Policies to be discussed with Exec and improvements made. - COMPLETE</p> <p>13/23 – The Director of IT and Digital to enquire about online cyber security compliance rates. COMPLETE - 209 staff have completed this in total.</p> <p>15/23 – Audit Recommendations monitoring – date the actions originated to be added in. Dates added, action COMPLETE.</p> <p>16/23 – Audit Scotland Technical Bulletin to be shared with members. Bulletin emailed 16<sup>th</sup> March, COMPLETE.</p> <p>17/23 - Papers for Publication to be agreed and follow up email sent to advise. – Board Secretary is in the process of updating papers on web page-complete.</p>
25/23	<p><b><u>Matters Arising</u></b> There were no matters arising.</p>
26/23	<p><b><u>Phishing Presentation (S Moncrieff)</u></b> Director for IT and Digital provided a presentation on Phishing. The following main points were noted;</p> <ul style="list-style-type: none"> <li>- The College has a Cyber Security Plus accreditation which gives assurance from a technical point of view.</li> <li>- Staff are required to complete Information and Security compliance modules on Canvas.</li> <li>- IT and Digital team send out regular information via email and the monthly staff newsletter.</li> <li>- End users are recognised as being the 'weakest link' when it comes to cyber security.</li> <li>- The College recently sent a test scam email to all staff and board members asking to click on a link to respond.</li> </ul>

	<ul style="list-style-type: none"> <li>- 327 emails were sent, 87 people clicked on the link and 25 staff (8%) continued to the 2<sup>nd</sup> stage and entered their username and password. 4 members of staff reported it to the IT helpdesk.</li> <li>- A follow up phishing campaign will take place and will hopefully evidence improvement on the above figures.</li> <li>- We continue to raise end user awareness and ensure technical configuration is correct and will set up training for staff where needed.</li> </ul> <p><b>Q's</b></p> <p>A member raised concern that they couldn't recall seeing the email and that it perhaps wasn't noticeable enough. They also queried the length of time taken to share the results. It was explained that the aim was to evidence that a common email could still be a threat and to get a baseline of responses. It took time to ensure the maximum amount of responses were received and to collate and present the findings and also to include this in the newsletter.</p> <p>It was queried what arrangements are in place for training. Director for IT and Digital confirmed that training will be made compulsory for all staff as they don't want to 'point the finger' at those who didn't pass the phishing task. They will also work in conjunction with SLT to give the 25 staff additional support and guidance. Director for IT &amp; Digital will forward on the slides from the presentation.</p> <p style="text-align: right;"><b>ACTION: SM</b></p>
<b>SECTION A – ITEMS FOR APPROVAL</b>	
27/23	<p><b><u>Internal Audit Assignment – Estates Management (Paper B)</u></b></p> <p>N Hamilton, Wylie &amp; Bissett summarised the report and highlighted the following main points. A strong level of assurance was given with eight good practice points. A low-grade recommendation was made regarding the statutory inspections spreadsheet and a management response was received for this. Two observations were made regarding missing data, the Halo system, and planning towards curriculum needs.</p> <p><b><u>Member's questions/comments</u></b></p> <p>A member highlighted the £38k overspend on the budget (P6) and queried if this is a financial control weakness. Also, with regards to lift inspections, the concern this presents in relation to health &amp; safety and for confirmation that lift inspections have been carried out. It was confirmed that these have been completed and are up to date, however one lift has been condemned and the College await agreement from HWU over how to proceed with this. Director for Finance and Procurement explained that the large variance in the budget is due to the way they have been phased and that they are currently working on a new monthly profile which will eliminate big variances moving forward.</p> <p>Members were content to approve the paper.</p>
28/23	<p><b><u>Internal Audit Assignment – Follow Up Audit (Paper C)</u></b></p> <p>N Hamilton, Wylie &amp; Bissett summarised the report and highlighted the main points. A Substantial rating (one down from strong) has been awarded. Five recommendations have been partially implemented and three have been fully implemented – a breakdown of these can be seen in the report. Fully imp. A Substantial level was given due to the number of recommendations and one of these being given a medium grading.</p>

	<p><u>Member's questions/comments</u> A member referred to page nine and the responses from budget holders and asked how many budget holders there are. They also noted concern that a few of these felt they needed more training on holding a budget. N Hamilton was unable to answer the question but will find out and share this information.</p> <p style="text-align: right;"><b>ACTION: N Hamilton(W&amp;B)</b></p> <p>A member queried the length of time some recommendations have been unresolved for. It was explained that some of the recommendations are older as they have been inherited and that there has been significant staff turnover in recent months and previous reporting has been quite weak. The current Director of Finance and Procurement however is making good inroads to improve these concerns - in the four months since starting in post, she has met with all budget holders twice and while this is an ongoing process, feels progress is being made.</p> <p>A member queried why there are two reports from Internal Auditors. It was noted that every year, Internal Auditors carry out a review to determine if recommendations can be closed off. The other report encompasses both internal and external and the recommendations that internal audit have agreed will come off the other report.</p> <p>Members were content to approve the report.</p>
29/23	<p><b><u>Internal Audit Assignment – Equality &amp; Diversity (Paper D)</u></b> N Hamilton summarised the report and summarised the main points. A strong level assurance was awarded and seven areas of good practice were highlighted. One low grade recommendation was made in relation to the College website format options and management have provided a response in relation to this.</p> <p><u>Member's questions/comments</u> A member highlighted the section on page five in relation to other areas the College hopes to address and for success rates to be close to the average of other colleges. They questioned whether average is a good enough aim and that it doesn't suggest they are striving to be the best. N Hamilton took the members comments on board and will relay this to S Brook and update the report if needs be. A member agreed it is good to benchmark but also to aspire to aim as best we can.</p> <p style="text-align: right;"><b>ACTION: N Hamilton(W&amp;B)</b></p> <p>Members were content to approve the paper.</p>
30/23	<p><b><u>Internal Audit Plan (Paper E)</u></b> N Hamilton gave an overview of the Internal Audit Plan for 2023/24, the proposed areas, purpose and objectives. This includes a review of income collection and credit control, purchasing and procurement, ProSolution, student retention, EMA, SSF and credits. It is proposed to undertake the first and second visits in September 2023 and visit three in March 2024 in relation to income collection and credit controls, purchasing and procurement and follow up.</p> <p><u>Member's questions/comments</u> A member asked whether income from hospitality and the refectory is included in this. N Hamilton confirmed yes.</p>

	<p>A member asked whether it has been updated since the original needs assessment. N Hamilton confirmed that the plan is not based on the initial plan and considers the current risks. It was queried why financial sustainability is not being considered, given the high risk around this. VP Finance and Corporate Services explained that a significant portion of the audit budget and the time required has been prioritised for ProSolution, a new system requiring a formal review and income collection and generation, as well as other areas that the College have no choice about auditing. There are also areas where changes are still being implemented and the view is that it would not be worthwhile to revisit these until complete. It was also noted that the wider budget setting review is covered in the 24/25 audit plan. The Chair proposed including this in year 2023/24 and to agree today's plan as a draft, pending amendments by Auditors and VP Finance &amp; Corporate Services. The finalised plan will be presented at the next meeting.</p> <p style="text-align: right;"><b>ACTION: VP F&amp;CS</b></p> <p>Members were happy to agree as a draft plan and to review and finalise at the next meeting.</p>
<p><b>31/23</b></p>	<p><b><u>External Audit Plan (Paper F)</u></b></p> <p>D Eardley, Azets advised that the plan remains largely the same and that there is a revised code of audit practice, ISA 315, in place. As such, the College now comes under a wider scope and areas such as financial management and value for money are now included.</p> <p>The report details significant audit risk areas, including the valuation of land and buildings and pension asset liability and the Netherdale Campus and the link between Borders College and HWU. D Eardley confirmed he will continue as engagement lead and Alex will continue to manage engagement. Page twenty-seven of the report sets out the agreed timetable which includes time to present to the Audit Committee and then the Regional Board for approval. The report also notes the increase in audit fees.</p> <p><b><u>Member's questions/comments</u></b></p> <p>A member acknowledged that the College are now subject to a wider audit and asked about credits. D Eardley explained that Audit Scotland has changed its guidance and the College are now audited as a charity which covers a much broader scope. The fee increase is the result of a change to the tender and pricing process and currently Audit Scotland are looking at potential fee solutions. VP Finance &amp; Corporate Services noted that a group challenge was mounted around fees and a letter was written to Audit Scotland who responded with the same.</p> <p>VP Finance &amp; Corporate Services noted that the plan is robust and covers everything needed.</p> <p>Members were happy to approve the plan.</p>
<p><b>32/23</b></p>	<p><b><u>College Financial Regulations Updates (Paper G)</u></b></p> <p>VP Finance &amp; Corporate Services advised one or two minor changes have been made to the document that can be seen via tracked changes. This document requires updating a minimum of every three years or</p>

	<p>sooner if required. VP Finance &amp; Corporate Services will amend into a table format and circulate tomorrow.</p> <p style="text-align: right;"><b>ACTION: VP F&amp;CS</b></p> <p><u>Member's questions/comments</u>  A member referred to the gift amount increase from £10 to £20 and asked if this has been agreed already. VP Finance &amp; Corporate Services confirmed that the Executive team are content with the recommendation of £20. This is on the basis of a review across the sector having revealed that many colleges have a limit of £50. It was acknowledged that in some cases £0 is appropriate, however this is not practical in every case. It was agreed that it is the larger value items that cause concern.</p> <p>A member felt that a three-year review was a long time and asked auditors for their views. N Hamilton felt it isn't out of the ordinary but it would be the upper limit. D Eardley advised that all of their clients review annually but likes the option for review more often if necessary. A member proposed keeping everything under a continuous degree of informal review and it was agreed to formally note every year whether amendments are required or not.</p> <p style="text-align: right;"><b>ACTION: VP F&amp;CS</b></p> <p>A member challenged whether this committee should have sight of some of the reporting which is detailed in the regulations. It was agreed to discuss further outwith today's meeting as part of the wider conversation around clarifying the roles of the Audit and Finance &amp; Resources Committees.</p> <p style="text-align: right;"><b>ACTION: VP F&amp;CS</b></p> <p>Members were content to approve the regulations subject to amendments and completion of actions.</p>
<p><b>33/23</b></p>	<p><b><u>Anti-Bribery Policy (Paper H)</u></b>  VP Finance and Corporate Services summarised that the amended policy includes new areas and updated definitions in section 6 aswell as an expanded guidance on gifts and donations.</p> <p><u>Member's questions/comments</u>  A member thanked VP Finance and Corporate Services for the improvements made and felt that overall, it reads much better. A further proposal for change was made to bring the section within the Financial Regulations (10.3) regarding gifts and hospitality, to this document. It was also felt that paragraph 4.4/4.5 is not consistent with the Financial Regulations (section 10.3) and was proposed to further amend to bring them both in line with each other. VP Finance and Corporate Services will review and circulate amendments to members.</p> <p style="text-align: right;"><b>ACTION: VP F&amp;CS</b></p> <p>Members were content to approve the policy pending the requested amendments being made.</p>
<p><b>34/23</b></p>	<p><b><u>Anti-Fraud &amp; Corruption Policy (Paper I)</u></b>  The policy has been extensively updated, including the addition of a fraud response plan. Members can see all updates made via tracked changes.</p>

	<p><u>Member's questions/comments</u></p> <p>A member objected to the 'old fashioned' and harsh wording on page 13 in relation to the punishment of perpetrators of fraud. VP Finance and Corporate Services acknowledged the member's view and noted that the document has been reviewed by the Executive team and People Services who feel that the strength and tone of the message is appropriate. It was agreed however to review this and consider the use of alternative wording.</p> <p style="text-align: right;"><b>ACTION: VP F&amp;CS</b></p> <p>A member asked about staff training and how information is shared. VP Finance and Corporate Services advised she has consulted with People services and it is proposed for modules to be added to canvas comprising of brief, key questions.</p> <p>A member raised concern that within the section regarding Investigation, reference is made to using external investigators, however Police are not mentioned, nor are they mentioned much in the rest of the document. The member was assured that Police are mentioned in other sections and it was agreed to highlight this and share with members.</p> <p style="text-align: right;"><b>ACTION: VP F&amp;CS</b></p> <p>A member recognised that while externality is a good idea, it would be good to ensure that internal staff are adequately trained and qualified in dealing with fraud.</p> <p>Member were content to approve with the two amendments being made.</p>
<b>SECTION B – ITEMS FOR DISCUSSION</b>	
<p><b>35/23</b></p>	<p><b><u>Review of Internal Audit (scope, efficiency &amp; effectiveness, Paper J)</u></b></p> <p>The main points of the review were summarised;</p> <ul style="list-style-type: none"> <li>- Original contract was for three years and was extended for a further two years.</li> <li>- All requirements are being met as detailed in the needs assessment.</li> <li>- Work undertaken includes; 38 reports produced - 23 for specific areas. 27 recommendations and 154 areas of good practice identified. All requirements are being met and are fully meeting SFC criteria.</li> <li>- Reports have been prepared before each visit and have always met timescale requirements.</li> <li>- Annual report requirement has been met.</li> <li>- No serious incidents of weakness identified and overall meeting the requirements.</li> <li>- Contract will expire in July 2024. At the end of this calendar year the procurement process will begin and a timetable will be provided in due course.</li> </ul> <p>Members were content to note the review of Internal Audit.</p>
<p><b>36/23</b></p>	<p><b><u>Strategic Risk Register (Verbal update)</u></b></p> <p>The transparency of the Risk Register and appetite was raised at a recent Board development session and suggested that it needs to be highlighted more. Also queried was the best way to report and manage</p>

	<p>this – it is currently reported to and discussed at a number of committees and the full board.</p> <p>The following options were suggested;</p> <ul style="list-style-type: none"> <li>- Audit Committee take a wider look on a quarterly basis and then onto the full board for annual review.</li> <li>- Whole Risk Register is reported to Board only.</li> </ul> <p>A member felt that the governance committees should have an oversight and need to have sight of the risk register to ensure that everything is being covered that should be. It was agreed to discuss this in further detail outwith today’s meeting and that this is part of the conversation around the role of Audit an F&amp;R Committees.</p> <p style="text-align: right;"><b>ACTION: VP F&amp;CS/CG/RM/IE</b></p>
<p><b>37/23</b></p>	<p><b><u>Business Continuity Plan (Paper K)</u></b></p> <p>The Corporate plan ties in with risk and was due for a refresh but was halted by the pandemic. It is scheduled for review every three years or sooner, as required. Over the last few years there has been a rapid change in technology and the existing plan has become increasingly out of date. Tracked changes were not applied to the updated document as there were so many, it would’ve been unreadable. Roles and responsibilities and job titles have been updated and the emergency plan, disaster and evacuation plans have all been reviewed and are now up to date. A role was also added for the IT department.</p> <p><u>Member’s questions/comments</u></p> <p>A member asked what happens when the alarm is raised out of hours and the role of the Board and Chair in these circumstances. It was noted that the plan is aimed at College Officers’ roles and responsibilities. A Call log is in place and updated regularly and circulated. The Estates Director is the first person to be called who then escalates further. It was suggested that a flow chart might be helpful and to mention the Board and Chair’s formal role. It was recognised that the plan has been tested but not implemented and queried whether it needs tested again. VP Finance &amp; Corporate Services advised that elements, such as the fire alarm are regularly tested. It was suggested to include a schedule to say how often each is tested, to provide assurance that it is being kept up to date. VP Finance &amp; Corporate Services is in discussion with people services regarding all policies and how to ensure staff are aware and what they there for. She will also take this to SLT for further ideas regarding how to communicate more widely and will update on the progress of this.</p> <p style="text-align: right;"><b>ACTION: VP F&amp;CS</b></p> <p>Noted that this item is for approval and not for discussion. Members were content to approve, pending suggested changes.</p>
<p><b>SECTION C – ITEMS FOR INFORMATION</b></p>	
<p><b>38/23</b></p>	<p><b><u>Register of Corporate Gifts (Paper L)</u></b></p> <p>This is a quarterly report requiring formal approval. There have been two additions within the reporting period and were approved in line with the Financial Regulations.</p> <p><u>Member’s questions/comments</u></p> <p>A member queried why the College continue to be given gifts by BT. Members heard that BT are sponsoring the College Graduation event</p>

	<p>and are heavily involved with the new Immersive Space at the Galashiels Campus and it is about maintaining this working relationship. A member asked what the value of the contract is with BT. This was noted to be approximately £265k. A member asked why the College continue to accept these gifts and why it is only senior management that seem to benefit (attending Rugby matches with tickets valued at £250 each). The Committee expressed concern. One member recognised that although it is not a breach of the Financial Regulations to accept such gifts, it still makes them uncomfortable and that the way gifts are used needs further consideration, going forward, eg, given to students or auctioned for charity. It was noted that the College have received gifts that have gone directly to groups of students and that they are looking to develop the reporting of this to give a more balanced view. It was noted that part of the rugby match days includes an element of networking which students would not be interested in.</p> <p>R McCowan welcomed a review of the wider issue of gifts and it was agreed to discuss this in further detail to address.</p> <p style="text-align: right;"><b>ACTION: CG/RM</b></p> <p>Members noted the gift register.</p>
<b>39/23</b>	<p><b><u>City of Glasgow College Fraud (Paper M)</u></b> Following a large-scale fraud incident at Glasgow College, the College reviewed the resulting recommendations made against their own internal policies and are satisfied they are already in place Members were content to note the report.</p>
<b>40/23</b>	<p><b><u>Audit Recommendations Monitoring (Paper N)</u></b> The main points were summarised as follows;</p> <ul style="list-style-type: none"> <li>- Several of the recommendations can be closed and removed</li> <li>- Dates relating to when the reports happened have been added, as requested.</li> <li>- Two data breaches have been reported in the current period.</li> <li>- External audit recommendations are on track to be closed off soon as good progress continues to be made.</li> </ul> <p><u>Member's questions/comments</u> A member impressed the need to clear the remaining outstanding recommendations. Members were reassured that a new Finance Business Partner is due to start in post soon who will help the Director of Finance and Procurement to progress this. Overall, good progress is being made.</p> <p>Committee were content to note the paper.</p>
<b>41/23</b>	<p><b><u>Information Update (Paper O)</u></b> There were no comments about the Information Update.</p>
<b>42/23</b>	<p><b><u>Papers for Publication (Standing Item)</u></b> Papers for publication will be agreed outwith the meeting.</p> <p style="text-align: right;"><b>ACTION: CG/IE</b></p>
<b>43/23</b>	<p><b><u>Any Other Business</u></b> No further matters were raised.</p>

<b>44/23</b>	<b><u>Date of Next Meeting</u></b> Thursday 5 <sup>th</sup> October at 17:30 on Teams.
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Signed.....  
**Chairman**

Signed.....  
**Board Secretary**

DRAFT