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Audit Committee

Meeting at 17:30 on Thursday 5 October 2023

MS Teams

Actions

Item	Action	Responsibility and Date	Action Status
53/23	Quotation marks to be added to the copy and pasted script within the Annual Report to Regional Board (Paper D)	VP Finance & Corporate Services	Amendment made, action complete
57/23	Discuss with Board Chair re detail of FoI requests being shared with them.	VP Finance & Corporate Services	Discussed with Board Chair, action complete
58/23	The committee's role is not just to note according to the ToR but to understand the underlying reasons – add note to discuss in Review of Terms of Reference item in the final meeting of the year.	Board Secretary	Added to the Agenda planner.

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Meeting at 17:30 on Thursday 5 October 2023

MS Teams

MINUTES

ITEM	MINUTES
Present	Vernice Key (Chair – for this meeting only) Ann McKerracher Philip Macdonald Christopher Alder
In Attendance	Kirsty Robb (Vice Principal, Finance & Corporate Services) Ingrid Earp (Board Secretary) Susan Brook (Wylie & Bisset - Internal Auditors) Suzie Hartley (Minutes)
45/23	<u>Chair’s Welcome</u> The Chair welcomed everyone to the meeting.
46/23	<u>Declaration of Conflict of Interest</u> No conflicts of interest were noted.
47/23	<u>Register of Members’ Interest</u> No changes/additions to the Register of Interest were raised.
48/23	<u>Apologies for Absence</u> Apologies were received from Carol Gillie.
49/23	<u>Minutes of Previous Meeting held on 11 May 2023 (Paper A)</u> The minutes from the last meeting were approved as an accurate record of the meeting. The following updates to actions were provided; 26/23 - Director for IT & Digital will forward on the slides from Phishing presentation. COMPLETE 28/23 - Number of budget holders in the College to be confirmed and shared with the membership. – COMPLETE, there are thirteen. 29/23 - Wording around success rates to be re-considered to reflect the College aim to be the best rather than average. – COMPLETE, wording in the Audit report reflects that of associated documents and changing this would require to go back to the Board.

	<p>30/23 - Amend Internal Audit plan to include 2024/25 Audit plan, which should include budget setting. COMPLETE - Current contract with Wylie & Bisset ends 31/7/2024, it is therefore not appropriate for them to develop the 24/25 Audit Plan.</p> <p>32/23 - Financial Regulations – amend to table format and re-circulate to members and to be formally noted on a yearly basis. COMPLETE amendments made and scheduled on Audit agenda.</p> <p>33/23 - Anti-Bribery policy to be reviewed and amended to bring in line with the Financial Regulations. COMPLETE - amendments made.</p> <p>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. COMPLETE - amendments made.</p> <p>36/23 - Strategic Risk Register – further discussion and decision to be reached around how often to report and which Committee’s to report to. COMPLETE - draft proposals completed by K Robb for consideration by the Audit Committee and Board.</p> <p>37/23 - Business Continuity Plan - paper to be taken to SLT to discuss best ways of communicating this. COMPLETE, discussed at SLT</p> <p>38/23 - Discussion to be had around the wider issue of gifts. COMPLETE, 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.</p> <p>42/23 - Papers for publication to be agreed out with the meeting. COMPLETE</p>
50/23	<p><u>Matters Arising</u> No matters were raised.</p>
SECTION A – ITEMS FOR APPROVAL	
51/23	<p><u>Internal Audit Assignment – Disaster Recovery (Paper B)</u> The report was noted as strong. Wylie & Bisset’s IT specialist undertook the review and was particularly impressed in relation to the controls in place. Several areas of good practice were recognised including annual testing and the Colleges in-house IT team being trained in their roles and awareness of how to respond in the event of a disaster. Internal auditors are therefore sufficiently assured that IT will take the necessary action to address any issues and that there is a robust back up and disaster recovery plan in place.</p> <p>Members did not raise any questions and were content to approve the report.</p>
52/23	<p><u>Internal Audit Annual Report (Paper C)</u> This report forms part of the annual accounts including governance and control.</p>

	<p>S Brook highlighted that the report sets out the standards that they as Auditors are required to adhere to and notes their own positive assurance rating, which in turn provides their clients with confidence. Internal audit reports are listed on page six and a summary of activity throughout the year is noted. All action items are on track, with one being of substantial priority, eight of low priority, and one of medium priority. In terms KPIs, there are no significant concerns. While a few management responses have been slightly delayed, this is not viewed negatively and the relationship and engagement with the College remains strong.</p> <p>Members did not raise any questions and were content to approve the report.</p>
<p>53/23</p>	<p><u>Annual Report to Regional Board (Paper D)</u> VP Finance & Corporate Services advised that the report is a requirement for the annual accounts process and gives assurance that the Board has fulfilled its role. C Gillie has reviewed and some changes were subsequently made. The report is currently in draft form and awaits comments from Auditors. The final version will come to the next Audit Committee on 30 November.</p> <p>A member suggested that quotation marks are added to the copy and pasted script. VP Finance & Corporate Services will make this amendment.</p> <p style="text-align: right;">ACTION: VP F&CS</p>
<p>54/23</p>	<p><u>Draft Annual Accounts (Inc. Corporate Governance Statement) (Paper E)</u> VP Finance & Corporate Services informed that feedback from last year has been taken on board to prepare the report, SFC guidance followed and accounting changes made. Changes to credit allocations are yet to be made and some results are still missing due to Action Short of a Strike (ASOS) taking place, therefore the report is currently in draft format. The following key areas of the report were noted;</p> <ul style="list-style-type: none"> - Performance analysis, key areas activities - Academic performance - Curriculum development areas - tied in with outcome agreements and the evaluation report - Equality and diversity - Net zero and sustainability - Key controls and committees and training requirements - Remuneration and staff reports - Independent audit section of the report is currently blank and will be updated once Azets have complete their Audit – which is going well, so far. - Annual accounts <p>Members questions No questions or comments were raised. Members were invited to get in touch with VP Finance & Corporate services or the Director of Finance with any queries and these will be addressed prior to the next meeting in November.</p>

	It was highlighted that this report is due to come back to Audit on 30 November for approval, then to the Regional Board on 14 December.
SECTION B – ITEMS FOR DISCUSSION	
55/23	<p><u>Strategic Risk Register (Paper F)</u> VP Finance & Corporate Services advised that following discussion to change and simplify the register, the Senior Leadership Team have worked collectively on a high level, strategic and improved format. Initial scoring and risk appetite recommendations were presented to Board and risks were split up and allocated to each appropriate committee. The risk associated with GDPR and legislation was allocated to Audit Committee. The risk register itself is a return to a more ‘traditional’ format and risk owners will lead, while overall responsibility for ensuring actions happen, lies with the Executive as a whole.</p> <p>The risk allocated to this committee is graded at eight which recognises the work of the Data Protection Officer (DPO) in addressing any arising issues. The appetite is deemed as averse-avoidance of risk in recognition don’t want to risk breach GDPR-</p> <p>Members are being asked today to agree on the ‘Averse’ rating and provide their comments/ask questions on the new format.</p> <p>Questions and Discussion: A member enquired about the College’s RAAC status and asked whether there is any mitigation in place and also which Committee has sight of any related cost, operations, or health and safety issues. It was clarified that that these concerns are captured within the overall risk register, which the Board have overall visibility of, but more specifically at the Finance and Resources Committee.</p>
56/23	<p><u>Audit Recommendations Monitoring (Paper G)</u> VP Finance & Corporate Services advised that significant progress has been made on the audit recommendations and noted the key points:</p> <ul style="list-style-type: none"> - There are a number of outstanding recommendations, but they are on track for resolution. - Two data breaches related to emails and information retention have been addressed. Recommendations made by the DPO have been fully implemented, and these issues have been removed from the next monitoring cycle. - The Follow up Audit is to be undertaken by internal auditors, with outstanding recommendations expected to be confirmed as completed, on conclusion. - The external audit is also progressing well, and it is anticipated that all outstanding recommendations will be resolved as part of the current audit. <p>Chair's Comments: The Chair expressed their appreciation for the progress and extended gratitude to the team for their efforts.</p>
57/23	<u>Data Protection & Freedom of Information Update (Paper H)</u>

	<p>VP Finance & Corporate Services gave an overview of the Data Protection and Freedom of Information (FOI) update provided in Paper H and the following key points were noted:</p> <ul style="list-style-type: none"> - The College is required to provide college-wide sector information under relevant acts, but this information was not readily available. Consequently, the reporting timeline was extended by a quarter to develop a more robust report. - The report includes a detailed breakdown of FOI requests, typically consistent with those received by the rest of the sector. - The majority of FOI requests were responded to within the required time frame, with only one experiencing a slight delay during the holiday season, by a few days. - Measures will be taken to record such cases more robustly through the HALO system. - No FOI requests were refused, and there were no appeals or reviews of responses. - Requests received encompassed various topics, including matters featured in the news, mental health issues, IT, and hardware. Some suppliers requested information for the purpose of offering services or renewing existing contracts. - A total of 27 requests were received, with one reply falling outside the 20-day notice period. <p>Questions and Discussion: A member queried whether the College received a disproportionate number of FOI requests compared to other colleges. VP Finance & Corporate Services responded that the average number of FOI requests in comparison to other colleges is relatively low. The member enquired about reporting information about individual requests to the Board Chair. Members heard that this isn't reported as it is felt that it falls more within the realm of operational matters. The member noted that it may be useful for the Chair to be aware of incoming requests. VP Finance & Corporate services acknowledged this and will discuss with the Board Chair.</p> <p style="text-align: right;">ACTION: VP F&CS</p>
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SECTION C – ITEMS FOR INFORMATION

<p>58/23</p>	<p><u>Register of Corporate Gifts (Paper I)</u> VP Finance & Corporate services talked through the paper and noted the following key points:</p> <ul style="list-style-type: none"> - During the Principal's welcome back speech after the summer holidays, updated policies were emphasised and staff were encouraged to make themselves aware of the changes. - Following publication of the updated policy, one staff member submitted a retrospective gift request. - Work is in progress to develop a procedure note (Appendix 1) for transferring the recording of gifts onto the HALO system. This will also include the recording of sponsorships and gifts that were offered but declined. This enhancement will provide a more comprehensive view and enable robust reporting and monitoring of corporate gifts and sponsorships. - HALO is scheduled to go live next week, and the anti-fraud and corruption policy will be highlighted alongside the implementation of the new system.
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	<p>Comments and Discussion:</p> <p>Committee member C Gillie, who was not present at the meeting, raised a question regarding incorporating the number and value of corporate gifts per year into the register. In response, VP Finance & Corporate Services proposed that the system is operational for a year, during which time data gathering will take place, and a review conducted based on this information.</p> <p>A member pointed out that the committee's role is not just to note according to the ToR but to understand the underlying reasons. Board Secretary will note this for inclusion in the Review of Terms of Reference item in the final Committee meeting of the year.</p> <p style="text-align: right;">ACTION: IE</p> <p>A member inquired about the recording of declined gifts and was informed that this information has not been recorded until now but will be collected through the HALO system, going forward. Also being considered is the potential for recognising and celebrating corporate gifts and the creation of a 'sponsors wall'.</p>
59/23	<p><u>Papers for Publication (Standing Item)</u></p> <p>Neither the Risk Register nor the Draft Annual Accounts are to be published, however the remaining papers can be published.</p>
60/23	<p><u>Any Other Business</u></p> <p>No further matters were raised.</p>
61/23	<p><u>Date of Next Meeting</u></p> <p>Thursday 30th November at 6pm in the Board Room, Galashiels Campus.</p>

Signed.....
Chair

Signed.....
Board Secretary