

# A

## Audit & Risk Committee

Meeting at 18:00 Thursday 8 February 2024

on Teams

### MINUTES

**\*\*CONFIDENTIAL\*\***

**(NOT TO BE SHARED WITH INTERNAL AUDIT)**

ITEM	MINUTE
<b>Present</b>  <b>In Attendance</b>	Carol Gillie (Chair) Ann McKerracher Vernice Key Philip Macdonald Christopher Alder  Kirsty Robb (Vice Principal, Finance & Corporate Services) Sara Wilson Ingrid Earp (Board Secretary) Suzie Hartley (Minutes)
<b>11/24</b>	<b><u>Internal Audit Procurement (Paper F, K Robb)</u></b> VP Finance & Corporate Services highlighted that the current contract with Wyle & Bisset is set to expire in July and that a value-for-money procurement process is set to begin. The new national procurement framework is set to be released on February 15th, which the College propose to use. There are concerns about a potential shortage of auditors, which may impact the uptake of the contract given its relatively low value. To address this, efforts are being made to streamline the process and collaborate with Dumfries & Galloway College, who are facing similar challenges and tendering at the same time, to increase the chances of receiving a good response rate. Timelines for the process are outlined in the paper and a change to the date of the May Audit & Risk Committee meeting is required to facilitate this. Discussion ensued regarding the proposed 50/50 split for pricing evaluation to reflect the financial challenges.  Questions/discussion: A member inquired about the scoring process for various elements. VP Finance & Corporate Services explained that the evaluation criteria are split 50/50 between quality and financial considerations. The quality assessment is broken down into different aspects, with each contributing to the overall score. A meeting is taking place tomorrow with D&G to discuss the detail. VP Finance & Corporate Services agreed to circulate a summary of this in table format to this committee. <b>ACTION: VP F&amp;CS</b>  A member asked if the collaborative efforts were being communicated to potential tenderers to make the process more attractive. VP Finance & Corporate Services confirmed yes and that they will circulate something nearer the time, with the aim of improving the range of bids. All members were happy to note the report.

	<p>The date for the next meeting was discussed and 29th May suggested, considering members' availability. No agreement was reached but it was acknowledged that it needs to take place later in the month than initially planned.</p>
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#### Actions

Item	Action	Responsibility and Date	Action Status
74/23	Add action deadlines to Strategic Risk Register.	VP F&CS	Partially complete
08/24	Clarity to be sought from Director of Student Services regarding accuracy of statements around SSO's and reference to a 'Student Experience Team' within the Student Retention Internal Audit Assignment report.	VP F&CS	
09/24	<ul style="list-style-type: none"><li>- Risk Management Framework – numbering to be corrected</li><li>- Update Risk Management Framework to include both scores, going forward.</li><li>- Language in the Risk Register to be updated to be more consistent</li></ul>	VP F&CS VP F&CS VP F&CS	Complete
11/24	Internal Audit procurement scoring process/collaboration with D&G – summary of this to be circulated round this committee	VP F&CS	
13/24	Audit Committee Workplan – session to be arranged with members to look more closely at quality & reporting.	I Earp	
16/24	Further clarity on SUN figures to be provided	S Wilson	Complete

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<b>Present</b>  <b>In Attendance</b>	<p>Carol Gillie (Chair) Ann McKerracher Vernice Key Philip Macdonald Christopher Alder</p> <p>Kirsty Robb (Vice Principal, Finance &amp; Corporate Services) Sara Wilson Ingrid Earp (Board Secretary) Susan Brook (Wylie &amp; Bisset - Internal Auditors) Suzie Hartley (Minutes)</p>
<b>01/24</b>	<p><b><u>Chair's Welcome</u></b> The Chair welcomed everyone to the meeting, extending thanks to C Alder for attending in place of M Hall.</p> <p>It was noted that item 11/24 Internal Audit contract will be deferred to later in the meeting and that S Brook will not be present for this.</p>
<b>02/24</b>	<p><b><u>Declaration of Conflict of Interest</u></b> No conflicts of interest were noted.</p>
<b>03/24</b>	<p><b><u>Register of Members' Interest</u></b> No changes/additions to the Register of Interest were raised.</p>
<b>04/24</b>	<p><b><u>Apologies for Absence</u></b> Apologies were received from M Hall (Chris Alder attending in his place).</p>
<b>05/24</b>	<p><b><u>Minutes of Previous Meeting held on 5 October 2023 (Paper A)</u></b> The minutes from the last meeting were approved as an accurate record of the meeting.</p> <p>Updates to actions were provided as follows;</p> <p><b>66/23</b> Incorrect date on previous minutes to be amended from 11 May to 5 October (S Hartley) - <b>Complete</b></p> <p><b>72/23</b> Date error in section 5.1 – change to '2019' (VP F&amp;CS) - <b>Complete</b></p> <p><b>73/23</b></p>

	<p>Final Annual Accounts – paper G. Page 11 – corrections required regarding the variance from sector average with the academic performance table and colours representing these figures to be updated. <b>Complete</b></p> <p>P 25 – clarification required regarding whether Audit Committee also need to be noted as having approved the Financial Regulations (as F&amp;R have) (VP F&amp;CS) <b>Complete</b></p> <p><b>74/23</b> Add action deadlines to Strategic Risk Register (VP F&amp;CS) - <b>Partially Complete</b></p> <p><b>75/23</b> Committee Self-Evaluation Outcome Mid-year ‘check-in’ and more training sessions and contacting members beforehand for suggestions of areas to focus on (VP F&amp;CS) - <b>Complete</b></p> <p>I Earp will consider how best to improve the quality of reports – <b>Complete, committee workplan tabled on agenda for next meeting</b></p>
06/24	<p><b><u>Matters Arising</u></b> Nothing was raised.</p>
<b>SECTION A – ITEMS FOR APPROVAL</b>	
07/24	<p><b><u>Internal Audit Assignment – Student Records (ProSolution) (Paper B, K Robb, ToR 2.7)</u></b></p> <p>S Brook confirmed a strong assurance rating for processes related to student applications and enrolments. No recommendations were raised and it was highlighted that the College is the only institution in Scotland utilising this system.</p> <p>Members Questions:</p> <p>A member inquired whether there are any performance indicators to compare against other colleges. VP Finance &amp; Corporate Services explained that the system operates on a standalone and bespoke basis and that compared with the previous system, functionality is much better and data security and quality has also been enhanced.</p> <p>A member raised a query under objective 4 regarding the absence of manual record-keeping. S Brook clarified that while some paper records still exist, the preference is for electronic records, which are considered more secure and accurate and allows for easier verification.</p> <p>A member queried whether the goal of making ProSolution the primary information holding system has been fully achieved. VP Finance &amp; Corporate Services acknowledged the significant progress made to date but recognised there is more to be realised, for example, plans are underway to integrate the processing of excursions and the MIS team continue to work with providers to expand use, including curriculum planning integration. There is also potential for the eventual replacement of the student finance system, although this remains uncertain.</p> <p>The Committee were content to approve the paper.</p>

08/24	<p><b><u>Internal Audit Assignment – Student Retention (Paper C, K Robb, ToR 2.7)</u></b></p> <p>S Brook noted that the audit focused on the College's methods for retaining students and the effectiveness of existing processes. The conclusion was an overall strong assurance rating and two low grade recommendations:</p> <ol style="list-style-type: none"> <li>1. Administrative; ensuring job titles are correctly updated in the student guidance procedure.</li> <li>2. Analysis to be enhanced to understand the causes of student withdrawals and the effectiveness of interventions to inform future resource allocation.</li> </ol> <p>Members Questions:</p> <p>A member raised concerns about the accuracy of certain statements on page 5, particularly regarding the frequency of student contact by Student Support Officers (SSO's), which is believed to be higher than stated. There was also a reference to the 'Student Experience Team' – which was raised as inaccurate. S Brook recognised that information can easily be lost in translation and that efforts were made to check for factual accuracy at draft stage and that they will continue to proof read for accuracy in future. VP Finance &amp; Corporate Services highlighted that the Director of Student Services fully reviewed the draft report and will seek further clarity on the two points raised.</p> <p style="text-align: right;"><b>ACTION: VP F&amp;C S</b></p> <p>A member inquired about the absence of statistics or numerical data in the report and whether there were concerns regarding student retention and how this is benchmarked. The Principal explained that student retention is closely monitored by individual teams throughout the year and is reported to the Curriculum Quality and Student Experience Committee (CQSE). Additionally, it was noted that this years' withdrawal rate has significantly improved compared with last year. Comparisons are also made against national statistics annually and it was highlighted that typically, the College perform better than the sector average.</p> <p>The committee approved of the report pending the necessary updates.</p>
09/24	<p><b><u>Risk Management Framework (Paper D, K Robb, ToR 2.9)</u></b></p> <p>VP Finance &amp; Corporate Services provided an update on the new Risk Management Framework process, established following board discussions. The agreed practice and key elements of the framework have been updated, including the inclusion of definitions and sections on risk appetite level and the incorporation of an overarching risk appetite statement. The framework is scheduled for review and presentation at the next Board meeting in March.</p> <p>Members Questions:</p> <p>A member raised concerns about inconsistent numbering in the document. VP Finance &amp; Corporate Services agreed to correct this.</p> <p style="text-align: right;"><b>ACTION: VP F&amp;C S</b></p> <p>A member also noted discrepancies in scoring between the register in this report and the established risk register, querying why one shows one score and the other shows two. VP Finance &amp; Corporate Services</p>

	<p>explained that the second score, although not explicitly stated in the report, reflects the score with current mitigations in place and without completed actions. She did not include both scores due to the effect on the formatting and making the type too small to read. An action was taken to update the report going forward to depict both scores.</p> <p style="text-align: right;"><b>ACTION: VP F&amp;C S</b></p> <p>The committee clarified their understanding of the scoring process.</p> <p>A member sought clarification on the frequency of the Strategic Risk Register review by the board. VP Finance &amp; Corporate Services confirmed that while a review is conducted annually, the Register is presented regularly in between to the Board via the Committee cycle. It was requested that this process is made clearer.</p> <p>Regarding the language used in the risk register, P Smith suggested explicitly stating the concepts of "treat," "tolerate," and "transfer" to ensure consistency. VP Finance &amp; Corporate Services agreed to adjust the language accordingly.</p> <p style="text-align: right;"><b>ACTION: VP F&amp;C S</b></p> <p>In light of the pending changes, the committee were content to approve the new framework and VP Finance &amp; Corporate Services will update and submit the amended version to C Gillie for review.</p>
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**SECTION B – ITEMS FOR DISCUSSION**

<p>10/24</p>	<p><b><u>Strategic Risk Register (Paper E, K Robb, ToR 2.9)</u></b></p> <p>VP Finance &amp; Corporate Services provided an update on the Strategic Risk Register, noting that it was last reviewed by the CQSE Committee in February, who were content with the risks and progress. Reviews were also conducted at SLT meetings in December and January and will continue to be reviewed there every month. Some progress has been made on deadline dates and there are a few ongoing actions in relation to identifying new sources of funding. VP Finance &amp; Corporate Services highlighted that the register does refer to "treat", as queried earlier.</p> <p>Members Questions:</p> <p>A member inquired in relation to 3.4 on the Risk Register – Disruption or failure of IT/Digital services or infrastructure and the frequency of reporting. VP Finance &amp; Corporate Services advised that cybersecurity is discussed frequently at SLT meetings and actions are closely monitored to ensure they remain on schedule. Additionally, comprehensive reports on cybersecurity and cyber-attack findings are presented to the Board on a quarterly basis. The College have also recently regained Cyber Essential Plus accreditation.</p> <p>A member raised that the appetite rating of risk 1.2 regarding the financial outlook for the College, doesn't appear to align with the significant financial challenges being faced currently. VP Finance &amp; Corporate Services assured that active steps are being taken, including planning for the 2024/2025 budget and exploring strategies to reduce expenditure. Political advances are also anticipated which could potentially have a positive effect on the financial outlook. It was highlighted that this risk will be reviewed by the Finance &amp; Resources Committee.</p>
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	Members were content to note the updated Risk Register.
<b>12/24</b>	<p><b><u>Meeting Schedule 2024/25 (Paper G, I Earp)</u></b>  The proposed meeting schedule for 2024/25 will be presented to the board in March. Members were asked to consider whether to continue with Thursdays at 17:30 or to suggest alternative dates/times. Some members expressed a preference for an earlier time on Thursdays and that varying meeting times may benefit members with external commitments. Concerns were expressed about potential clashes with other committees if held earlier in the day, however I Earp reassured that advance planning should mitigate this. Further concerns were raised about the feasibility of attending earlier times, suggesting that 17:30 might be more suitable for external members and newcomers. Timing flexibility between 4:00 PM and 5:30 PM on Thursdays was also proposed, aiming to avoid scheduling conflicts with other meetings. VP Finance &amp; Corporate Services advised she is unavailable on the second Thursday of the month due to personal commitments.</p>
<b>13/24</b>	<p><b><u>Audit Committee Workplan (I Earp, ToR 2.16)</u></b>  It was agreed at the last Audit Committee to hold a one-off meeting to look into quality and reporting in more detail. Members were invited to provide feedback on the paper or suggest any missing elements and to agree on a date being sought for a half hour/one-hour session.</p> <p>No comments were made and all agreed for a date to be arranged.  <b>ACTION: BOARD SECRETARY</b></p>
<b>SECTION C – ITEMS FOR INFORMATION</b>	
<b>14/24</b>	<p><b><u>Register of Corporate Gifts (K Robb, ToR 2.12/2.13)</u></b>  There have been no new additions to the Register. The new process is in place and working well. Further reminders for staff to continue to submit requests will be issued via the College newsletter.</p> <p>All were content to note the register.</p>
<b>15/24</b>	<p><b><u>Audit Recommendations Monitoring (K Robb, ToR 2.8)</u></b>  The Audit Recommendations Monitoring report provides an overview with recommendations, including updates on data breaches. The Data Protection Officer (DPO) is currently reviewing some ongoing data breaches and is expected to provide her findings soon. Internal audit monitoring is at the final review stage by S Brook, with follow-up due in March. There are two new recommendations in the report, with two having been completed and two in progress/on track.</p> <p>Questions/discussion:  A member expressed concern regarding the timescale for one recommendation, spanning from August to February. VP Finance &amp; Corporate Services clarified that this has been discussed with the DPO, who has yet to finalise their response due to ongoing review.</p> <p>The committee noted the progress on audit actions and data breaches.</p>
<b>16/24</b>	<p><b><u>Procurement Practices and VFM (S Wilson)</u></b>  The Director for Finance &amp; Procurement advised that the purpose of this report is to provide an update on procurement functions and best</p>



	<p>practice. The procurement team meets quarterly with representatives from APUC, who provide updates on various aspects. The report focuses on five key themes and the table indicates continued progress. Specifically, there has been an increase in the volume of PECOS orders and a decrease in manual processes, along with an increase in contractual spending, all of which are reflected positively in the figures presented.</p> <p>Questions/discussion: A member raised concerns about the significant increase in the value of spend, particularly given the current financial situation. Disparity between SUN orders and the actual value of spend was also queried. Director for Finance &amp; Procurement clarified that the £300k increase in spend may appear concerning, but is the result of timing and large spends for projects like the Immersive Classroom. She assured that this is not alarming on a day-to-day basis as funding has been secured. She agreed to provide further information regarding the SUN figures. <b>ACTION: SW</b></p> <p>A member inquired about the next steps in tender management and sought clarity on this. Director for Finance &amp; Procurement explained that progress is being made, especially regarding sustainability, but quantifying progress remains challenging. The member suggested including of KPIs in future reports under these headings and Director for Finance &amp; Procurement agreed to look at including this.</p> <p>The committee were content to note the report.</p> <p>S Brook left the meeting at this point, in time for discussion of the next item '11/24 – Internal Audit Procurement'.</p>
17/24	<p><b><u>Papers for Publication (Standing Item)</u></b> Board Secretary and the Chair will agree on papers to be published, at a later date.</p>
18/24	<p><b><u>Any Other Business</u></b> The Committee heard that this is A McKerracher's last meeting - all joined the Chair in giving thanks for her valuable contribution and wished her well for the future.</p>
19/24	<p><b><u>Date of Next Meeting</u></b> Wednesday 29 May, 12:30pm via Teams</p>

Signed.....  
Chair

Signed.....  
Board Secretary