

Audit & Risk Committee

Meeting at 17:30 Thursday 13 February 2025

On Teams

Actions

Item	Action	Responsibility and Date	Action Status
36/24	Revised committee review questions to be emailed round.	Board Secretary	Ongoing Will be treated as a cross-Committee exercise.



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MINUTES

ITEM	MINUTE
Present	Dave Roberts (Chair) Phil Macdonald Gordon Donald Jessica Elder
In Attendance	Kirsty Robb (Vice Principal, Finance & Corporate Services) Sara Wilson (Director for Finance & Procurement) Ingrid Earp (Board Secretary) Ray McCowan (Board Chair) Graham Gillespie (Wylie Bisset Group [WBG] - Internal Auditors) Suzie Hartley (Minutes)
01/25	<u>Chair's Welcome</u> D Roberts welcomed everyone to the meeting, which was his first meeting as Chair.
02/25	<u>Declaration of Conflict of Interest</u> No conflicts of interest were noted.
03/25	<u>Register of Members' Interest</u> No changes/additions to the Register of Interest were raised.
04/25	<u>Apologies for Absence</u> Apologies were received from Cherene Thomson and Lindsey Hastie.
05/25	<u>Minutes of Previous Meeting held on 3 December 2024 (Paper A)</u> Members were encouraged to undertake any training opportunities relevant to them via those on offer through College Development Network (CDN) The Chair emphasised that a detailed look at the Annual Report will be undertaken at the October Audit and Risk Committee meeting this year and that this will avoid a repeat of last year's issue which did not leave sufficient time before the Board meeting to make amendments. All agreed that the minutes from the last meeting were a true and accurate reflection of discussions. The Chair highlighted that the Scottish Parliament Committee look at the minutes of these meetings as evidence.
06/25	<u>Matters Arising</u> The following updates to actions were provided. 36/24

	Revised committee review questions to be emailed round (Board Secretary) – ONGOING – this is being treated as a cross-committee exercise. 71/24 Ensure Board are kept up to date regarding Job Evaluation developments (Principal) – COMPLETE - an update will be provided in the Principal's update report to the Regional Board on the 27 March. 72/24 - Final Annual Accounts – amend wording to explain the adjusted operating position and deficit and surplus figures. (VP F&CS) - COMPLETE - Update page 72 to from 'Audit Committee' to 'Audit and Risk Committee' (VP F&CS) - COMPLETE 73/24 Section 10.3 in Annual Report to Board – remove reference to being scrutinised at F&R and a final action plan having been developed (VP F&CS) - COMPLETE
SECTION A – ITEMS FOR DECISION	
07/25	<u>Internal Audit Assignment – Financial Sustainability (Paper B)</u> The internal Auditor highlighted the key areas from the report noting a strong assurance level (the highest possible rating) and that the scope of the audit aligns with the overall annual plan. Page four details background information on the financial planning process, including the forecast position, HWU position and impact and costing activities as part of the ongoing financial plan. The work undertaken is summarised and one recommendation was raised, with no high or medium risks identified. Five areas of good practice are noted on page eleven, and recommendations are noted on page twelve in relation to staff utilisation and the budget setting review, and a suggestion made to include the staff review. Questions The Chair suggested whether more direct reference to the financial sustainability of the College should be included in the report rather than solely focussing on the processes to achieve this. It was questioned why staff utilisation only refers to lecturing staff and not support staff. VP for Finance & Corporate Services explained that the current exercise aims to ensure all lecturing staff have capacity for additional commercial work and while support staff are also being considered, the focus is on determining lecturing staff capacity, what the college can do more of and identifying areas that are lacking or have adequate capacity. The process has begun with the curriculum/delivery side (encompassing four areas) and is currently being piloted in one of these areas. The Chair sought clarification on the decision required from the paper and the VP for Finance & Corporate Services confirmed that the

	members are being asked to confirm their satisfaction with the report's findings. The Chair argued that contrary to point 6.3, there are direct staff implications to which the VP for Finance & Corporate Services clarified these are not directly addressed in the report. A member asked about measuring the utilisation of facilities. The VP for Finance & Corporate Services advised that there is a room booking system which tracks bookings, but not actual usage and that work is ongoing to address this. The Scottish Funding Council (SFC) are also asking the sector to look at utilisation, however very few Colleges are managing this successfully at the moment. A member inquired whether the current plans include a space capacity analysis. It was confirmed that this is included, citing Tweedbank's need for more space and that the process must be managed to align with curriculum demands. Members expressed satisfaction with the report and were reassured that all aspects of efficiency are being considered.
SECTION B – ITEMS FOR DISCUSSION	
08/25	<u>Strategic Risk Register (Paper C, K Robb, ToR 2.9)</u> The current review of the Risk Register is now in quarter 3 and has been discussed at the Finance & Resources Committee, the Curriculum Quality and Student Experience Committee (CQSE), and at the last Regional Board meeting (prior to Christmas) The risks have been discussed fully and the key risk of financial sustainability is due to be examined at the upcoming Finance and Resources Committee on 13 March. Good progress has been made on each risk area and work is on schedule to present the report to the Regional Board in March. The Chair highlighted an error in section 5.2, correcting the date of the next Regional Board meeting to 27 March instead of 2 March. The inter-relationship of risks was discussed and the link between the risk register and contingency plans. The VP for Finance & Corporate services provided reassurance that everything is linked and taken into consideration.
09/25	<u>Audit Recommendations Monitoring (Paper D, K Robb, ToR 2.8)</u> The VP for Finance & Corporate Services reported that most outstanding recommendations from the internal and external audits have been cleared. There is a slight delay in relation to GDPR and the moving of files to SharePoint but overall, this work has progressed well with only a few areas left to transition, including finance. All other elements were reported to be on track.
10/25	<u>Timing of Meetings 2025/26 (I Earp)</u> The chair emphasised the need to schedule meetings at times that ensure the group is quorate and it was agreed to hold meetings at 5pm, going forward.

SECTION C – ITEMS FOR INFORMATION	
11/25	<u>Register of Corporate Gifts (Paper F, K Robb, ToR 2.13/2.12)</u> No hospitality offers were received or accepted over the last reporting period. Two gifts were however received in support of a college fundraising event – from local businesses, Booker and Monte Casino. A member of staff also received a gift voucher from Eribe Knitwear.
12/25	<u>Procurement Practices and VFM (Paper G, K Robb)</u> The chair requested that acronyms are spelled out for those who are unfamiliar with them. The Director for Finance and Procurement reported that KPIs have slightly decreased this year due to a six-month vacancy in the procurement officer position. A contract with APUC has been established. During the interim, tender work continued but lapsed, leading to an increase in non-contract spend. There has been a significant reduction in anticipated costs and the focus now is on getting lapsed KPIs back on track. The chair queried the number of invoices and the cost of processing them, noting that fewer invoices would be beneficial. It was explained that although the number of invoices has increased, total spend has not, indicating increased efficiency. Some suppliers consolidate invoices, but the College's Procurement Officer can look into this further. Utility companies often bill estimates then resend invoices with reviewed amounts which unfortunately creates multiple invoices. A member asked if the Procurement Officer is a new position. It was confirmed no, and that a specialist needed to be recruited through APUC. This has produced a saving and has resulted in a stronger position in terms of sustainability, for the College. All were satisfied with the paper.
13/25	<u>Cash Discrepancies (Paper H, K Robb, ToR 2.11, 2.13)</u> This item is confidential and has a separate minute. R McCowan joined the meeting.
14/25	<u>Information Update (Paper I, K Robb / I Earp)</u> The VP for Finance & Corporate Services summarised the key areas from the Audit Scotland Technical Bulletin, notably the additional information in the annual report regarding climate change and also the improvement in the account's direction. It was also noted that the National Fraud Initiative exercise is currently underway, meeting all requirements to date and is on track with timescales. The chair enquired if this committee ensures the safety of students is protected. The VP for Finance & Corporate Services confirmed that the Curriculum Quality and Student Experience (CQSE) Committee oversees the safety of students, which she reminded, is everyone's responsibility and that the remit of the Health and Safety Committee has been broadened to include prevent, wellbeing, and safeguarding, and has held two meetings so far.

15/25	<u>Papers for Publication</u> The Board Secretary will identify papers for publication, noting that paper H - Cash discrepancies is confidential and not for publication.
16/25	<u>Any Other Business</u> The Chair encouraged those who haven't yet completed CDN training to do so. It was agreed that going forward, the start time for these committees will be changed to begin at 5pm.
17/24	<u>Date of Next Meeting</u> Thursday 22 May 2025 on Teams.

Signed.....
Chair

Signed.....
Board Secretary