



Audit Committee

Monday 7th November 2022 – 2pm to 4pm

Governors	Type	Initials	Attendance	Apologies
Michael Wood-Williams	Chair / Independent	MWW	X	
Aneela Ali	Independent	AA	X*	
Darren Curry	Co-opted	DC	X	
Jennifer Boyle	Co-opted	JB	X	
Clerk				
Nicola Taylor	Director of Governance & Compliance	NT	X	
Attendees				
David Alexander	CEO / Principal	DA	X	
Jeremy Cook	Deputy Principal: Finance & Resources	JC	X	
Chris Toon	Deputy Principal: Curriculum & Quality	CT	X	
Ivan Jepson	Director of Business Development & Planning	IJ	X	
Nadine Hudspeth	Director of Brand & Learner Experience	NH	X	
Sharon Kinleyside	Health & Safety Manager	SH	X^	
David Keetley	Financial Controller	DK	X	
David Hoose	Mazars – External Audit	DH	X*	
Stephen Pringle	Wylie and Bisset – Internal Audit	SP	X*^	

*Attended via Teams / ^Attended for part of the meeting.

A/809 1. Chair’s welcome, apologies, conflicts of interest

The Chair welcomed the attendees.

All attendees were invited to declare any relevant interests. The following were noted:

- SP would leave the meeting for item 9 (evaluation of internal auditor performance).
- DA confirmed his Board membership with the Scottish Funding Council, noting they had recently appointed Mazars as their External Auditors.

The Chair noted that should the direction of debate on any item result in any further potential conflict of interest, this should be indicated in the meeting.

The conflicts were noted.

A/810 2. Minutes of the last Audit Committee meeting dated 15 June 2022

The Committee reviewed the minutes of the previous meeting. It was highlighted that the February 2022 and June 2022 minutes would now show that DA had been in attendance rather than being a Committee member.

Action: NT to amend minutes to reflect DA's status as an attendee.

The minutes were approved, subject to the above amend.

A/811 3. Matters Arising / Action Log

The action log was noted.

A/812 4. Health and Safety Annual Report (21/22)

SK presented the report and highlighted the following:

- There remained a focus around the ongoing Covid pandemic throughout 21/22, ensuring that staff and students were aware of how to operate safely. During this time, the College supported the Government's Covid vaccination programme and engaged with the local authority vaccination team.
- Monitoring indicators had been kept under review to ensure a safe working environment at all times.
- There had been no reportable RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) during the period.
- The College had been inspected by an external radiation adviser who noted good working practices.
- The Quality Assurance Framework had been updated to provide assurance of the appropriateness and effective implementation of the health and safety management systems and processes.
- The operational health and safety risk register had been updated to a 5 x 5 matrix in line with the College's risk management framework.

The report was noted, and the Committee recommended the report to the Board.

SK left the meeting.

A/813 5. Review of Strategic Risk Register

The Chair noted that there had been a large amount of work undertaken to review and revise the College strategic Risk Register.

JC presented the report and highlighted the following:

- The risk register had been revised following an Internal Audit in 21/22 which highlighted a number of areas for improvement. The risk register now also aligned to the new College strategic plan.
- Further work had been undertaken internally regarding the alignment and integration of operational risks registers and operational planning.
- The strategic risk register continued to be monitored by the Executive Team.

The Committee discussed the following:

- Whether the risks identified captured the key threats and challenges to the successful implementation and delivery of the Strategic Plan.
- The risk categorisation.
 - It was suggested to amend the risk category of “IT, data protection and cyber security” to “Security – IT, Data and Cyber”.
Action: JC to amend risk category to Security – IT, Data and Cyber.
- Whether any strategic risks had been omitted.
 - The Committee **queried** the risk / opportunity around Digital, and whether this needed its own risk or was sufficiently covered within the current risks. It was agreed that Digital would be an enabler to achieve outcomes. It was suggested that the consideration of this area needed to be evidenced. It was confirmed that the Digital Strategy was being monitored through the Finance & General Purposes Committee, and it was suggested that this was more of an operational risk. The Committee were comfortable that Digital was included within the current risks and they would continue to monitor this as the strategy progressed.
 - The Committee **queried** the risk around the cost of living crisis, and the associated impact on staff, students and the College. It was suggested that this was covered within the financial risks, with the risk score being higher due to the current climate. It was confirmed that this was considered in more detail at an operational level.
- The movement between the inherent (unmitigated) scores and the residual (mitigated) scores.
- Risk appetite (as approved by the Board in March 2022).
 - The Committee **queried** the risk appetite for Teaching & Learning and discussed as to whether this should be Willing. It was agreed for this to remain as Open due to external factors and caution around any potential negative impacts to student outcomes.
- Whether the risk register was sufficient in relation to emerging risks. It was noted that external risks (where the College had little or no control) were being monitored and would be added to the register when / if appropriate. Reassurance was provided by the Executive Team that they continued to monitor this. The Committee **requested** awareness of any potential future risks going forward in considering the risk register.
Action: JC to continue to provide an awareness of potential future risks going forward.
- Each strategic risk in turn, with JC providing an update on the mitigations and reasoning behind the scoring.
- Whether target scores could be included within the register. It was suggested that this was not something the College as not looking to include due to the impact of external factors / the college not being able to influence and therefore the potential lack of value in doing so.

It was therefore **agreed** to cover risk appetite and risk categories more frequently within the next year due to the newness of the register.

Action: Committee to continue to review the risk appetite and risk categories as the year progresses.

The Committee **noted their thanks** to JC and the team for the enormous piece of work and ongoing improvements which had allowed the Committee to provide scrutiny which benefited from the information provided.

The report was noted and the Committee recommended the revised Risk Register to the Board.

A/814 6. Update on preparation and progress of 2021/2022 financial statements

JC provided an update and highlighted the following:

- Work was ongoing with Mazars with the preparatory in a good position.
- The Committee had agreed to the Audit Memorandum discussed at the meeting in June, and progress was in line with that timeline.
- The College and external auditor teams were working together well with effective working relationships.
- The areas of pensions, tax, financial statements narrative and going concern (which was not expected to be an issue) were in the process of being finalised. JC noted the potential implications of the ONS decision on the status of colleges.
- Financial statements would be shared for consideration at the joint Audit and F&GP meeting in November, ahead of seeking approval at the Board meeting in December.

DH agreed that this was an accurate position, specifically noting the positive working relationships and there being no potential audit adjustments / audit recommendations to date. DH reiterated that the timing of the ONS decision could impact the audit, however this would be a sector wide issue. DH noted his thanks to JC and the team for their work and cooperation.

The update was noted.

A/815 7. Rolling review of audit actions

JC presented the report and highlighted the following:

- Actions which pre-dated the appointment of Wylie and Bisset had been implemented in full.
- High category IT items had been implemented.
- The Executive had approved an extension on the review date relating to budget holder refresher training to allow this to take place as part of the 23/24 planning cycle.
- There was a number of actions to be implemented however their target date had not yet been reached.
- Actions were considered by the Executive team on a monthly basis.

- All actions marked as complete would be checked as part of the Wylie and Bisset follow up work which would inform the annual report to the Committee, this would provide assurance and validation.
 - The Committee **supported the decision** for the follow up testing to be completed for those actions advised by the College as being completed in advance of the next Audit Committee meeting.

Action: JC to agree follow up review schedule with SP.

The report was noted.

A/816 8. Regularity Self-Assessment Questionnaire

JC presented the report and highlighted the following:

- The questionnaire had been completed internally and was being shared with the Audit Committee for prior sight ahead of sharing at the Joint Audit and F&GP meeting on 30th November.
- The questionnaire was a requirement and would need to be signed off by the CEO/Principal and Chair of the Board as part of the financial accounts.
- JC would be working with NT to further strengthen responses for the current academic year.

DH noted that he had an initial review of the responses and no issues had been raised, however a more thorough review was due to take place ahead of sign off.

The report was noted.

A/817 9. Evaluation of internal auditor performance

SP left the meeting.

JC presented the report and highlighted the following:

- The process of evaluation, noting that questionnaires had been circulated to different groups of peers to collect their views.
- Positive feedback had been received from all parties, including the approach to audit and level of work completed.

It was noted that Wylie & Bisset continued to grow in success and this would need to be monitored in terms of resource and capacity.

The Committee **agreed** to share the feedback with Wylie and Bisset, and to pass on their congratulation to SP for his recent promotion.

Action: JC/NT to pass on feedback and congratulations in relation to the evaluation of the internal auditor performance.

The report was noted.

A/818 10. Meeting Evaluation

The Chair asked the attendees to evaluate the meeting, and the following comments were made:

- There was an effective focus on the strategic risk register. There was a discussion around the Committee's role in relation to risk, noting that the other Committees focussed on the strategic risks specific to their remit and therefore this could create a potential duplication of work. It was also discussed how the Audit Committee are made aware of the discussions at Committee level, and there was a suggestion that a summary of this information could be included within the risk report at each Audit Committee meeting.

Action: JC to include a summary of the Committee discussions in relation to risk within the Audit Committee Risk Report going forward.

It was noted that the Audit Committee were responsible for ensuring there were appropriate risk management controls in place, and to consider the strategic risk register as a whole.

Action: NT to consider Committee roles in relation to risk when reviewing the Terms of Reference.

- Papers were well prepared with clear content. Taking papers as read allowed more time for discussion and debate.
- Committee members provided a good level of challenge and there was good participation from all attendees.
- There was evidence of improvement.

The Committee **noted their thanks** to the Auditors and Executive Team for their work.

A/819 Any Other Business

The Chair noted that it was Trustees Week and thanked the Committee members for their time, efforts and contribution.

A/820 Date of the next meeting

The date of the next meeting was 30th November 2022, taking place jointly with the Finance & General Purposes Committee.