

**NOTES OF THE MEETING OF THE AUDIT COMMITTEE
HELD ON 29 MAY 2024 AT 4.30PM.**

The meeting was held via teams.

PRESENT:

David Watt	Committee Chair
Lindsey Paterson	Committee Member
Rena McAdam	Committee Member
Stuart Porteous	Committee Member
Michael Payne	Committee Member
James Olatoke	Coopted Committee Member

IN ATTENDANCE:

Jon Vincent	Principal
Tracy Elliott	Interim Vice Principal, Resources & College Development
John Rafferty	Vice and Deputy Principal, Curriculum and Quality Enhancement
David Archibald	Henderson Loggie, Internal Auditor
Stuart Nugent	Audit Scotland, External Auditor
Steven Bishop	Head of ICT (for item 24.31)
Gillian Murray	Interim Clerk to the Board (Minute Taker)

ACTION

24.17 WELCOME AND APOLOGIES

D Watt welcomed everyone to the meeting. There were no apologies.

24.18 DECLARATIONS OF INTEREST

There were no declarations of interest.

24.19 DRAFT MINUTES OF MEETING HELD 6 MARCH 2024

The Minutes were agreed to be an accurate record of the meeting.

24.20 MATTERS ARISING – ACTION GRID

The Committee noted the updates on the Action Grid.

Items for Discussion/Decision

Governance and Risk Management

24.21 INTERNAL AUDIT PLAN 2023/24 PROGRESS REPORT

D Archibald of Henderson Loggie spoke to this item and confirmed that the internal audit plan is on track.

The Committee discussed the Internal Audit Report Plan and the areas being covered within the Plan. The Committee was satisfied that the Plan continues to focus on the relevant areas.

The Committee noted the progress.

24.22 INTERNAL AUDIT REPORTS

(i) HEALTH & SAFETY

D Archibald presented the Health & Safety internal audit report. The Committee discussed the Report and noted that there is a good level of assurance in this area meaning that the system meets control objectives. The Committee noted that there are three low priority recommendations in the report.

In relation to Objective 5 and the Management Response (page 13 of the report), the Committee requested further information regarding the error and whether or not this was a system error or a human error. **TE**

(ii) ENVIRONMENTAL SUSTAINABILITY

D Archibald presented the internal environmental sustainability report.

The Committee discussed the Report and noted the conclusion that there is a good level of assurance in this area meaning that the system meets control objectives. The Committee noted the four low priority recommendations in the report.

The Committee discussed the disproportionate work associated with Recommendation 1 of the Report. It was agreed that a more targeted approach would be considered and taken forward. **JV**

The Committee discussed the relevance of KPIs on sustainability being brought to the Audit Committee. It was agreed that the four relevant KPIs which currently go to the Finance & Resources Committee would be included in the cover paper to the Audit Committee. **TE**

(iii) DATA PROTECTION

D Archibald presented the internal data protection report.

The Committee discussed the report and recommendations. The rating of the report was discussed, and the Committee remained satisfied with the current rating noting that the key message was for the College to take forward the actions and ensure they were implemented. The College noted that the financial constraints on staffing in this area had impacted on the findings.

24.23 INTERNAL AUDITOR

T Elliot introduced the paper, which was discussed at the end of the agenda, after item 24.33, and in the absence of the auditors.

The Committee discussed the extension of the existing contract and agreed that the contract should be extended for a further 12-month period.

D Watt

The Committee noted that, in terms of the remit of the Committee, this appointment should be reported back to the board at the next Board meeting.

24.24 DRAFT INTERNAL AUDIT PLAN 2023/24 PROGRESS REPORT

D Archibald of Henderson Loggie presented the draft internal audit plan for the following academic year.

The Committee discussed the draft plan and agreed that Curriculum Planning should be taken off the plan considering the significant volume of work already undertaken in this area. The Committee discussed the need to include an Audit on an area with more focus on students and it was agreed that the Management Team would reconsider the plan and circulate a revised draft to the Chair of the Audit Committee.

TE

24.25 COLLEGE ASSURANCE FRAMEWORK CERTIFICATE OF ASSURANCE

T. Elliot presented the paper.

The Committee discussed the Certificate and whether or not there was a need to qualify the certificate in respect of the financial challenges facing the College. J Vincent agreed to look back at earlier certificates.

JV

The Committee agreed that there was no need qualify the Certificate in respect of finances as the financial challenges in 2023/24 were being tightly managed. The Committee noted that 2024/25 presents further financial challenges.

FINANCIAL REPORTING

24.26 APPROVAL OF ACCOUNTING POLICIES

T. Elliot presented the paper on the approval of accounting policies. T. Elliot highlighted the risk associated with the conversion of capital funding to revenue funding and the implication this may have on the qualification of the accounts. The Committee noted that further guidance is awaited from SFC.

24.27 EXTERNAL AUDIT PLANNING MEMORANDUM FOR 2024/25

S. Nugent introduced the external audit planning memorandum prepared by Audit Scotland.

The Committee discussed the planning memorandum. It was noted that the Management Team found the external audit in 2023 to have been very labour intensive with some inefficiencies with how the work was undertaken by Audit Scotland.

The Committee noted the Memorandum.

GOVERNANCE AND RISK MANAGEMENT

24.28 RISK REGISTER

J. Vincent presented the College Strategic Risk Register. The Committee discussed the Risk Register noting the changes to the status of certain risks.

The Committee noted that the financial risks for next year will be high.

24.29 CLIMATE CHANGE ACTION PLAN

T. Elliot presented the climate change action plan.

The Committee discussed the action plan. The Committee extended thanks to T Elliott, J Clark and D Newlands for all of their hard work in this area.

It was agreed that the four relevant KPIs which currently go to the Finance & Resources Committee would be included in the cover paper to the Audit Committee.

TE

24.30 FRAUD RESPONSE PLAN

T. Elliot introduced the fraud response plan.

The Committee discussed the plan.

24.31 CYBER SECURITY UPDATE

S. Bishop joined the meeting to present the paper on the cyber security update.

The Committee discussed the update.

ITEMS FOR INFORMATION/NOTING

24.32 INTERNAL & EXTERNAL AUDIT ROLLING ACTION PLAN

T. Elliot introduced the internal and external audit rolling action plan. The Committee noted the plan.

24.33 AUDIT COMMITTEE SCHEDULES OF WORK 2023/24

The Committee noted that a fresh Schedule of Work would be prepared for the next academic year and circulated to the Committee in advance of the next meeting.

Clerk

24.34 ANY OTHER BUSINESS

J Vincent noted that this was D Watt's last meeting as Chair of Audit and thanked him for his dedication and commitment to the committee over the last 8 years. All present joined in thanking D Watt for his leadership.

DATE OF NEXT MEETING

2nd October 2024 at 4.30pm via Teams