

**Minute of the Audit and Risk Committee Meeting
Held on Tuesday 16 March 2021
Via Video Conference using Zoom**

Present: Hazel Murphy (Chair)
Steve Graham (Vice Chair)
Alison Sutherland
Matthew Wilson

In attendance: Brendan Ferguson (Board Secretary)
Yvonne Melvin (Board Administrative Officer)
Michael Breen (Vice Principal - Finance)
Anne Campbell (Vice Principal – Curriculum)
Jane McKie (Vice Principal – People)
James Thomson (Director of Finance, Student Funding & Estates)
Chloe Ridley (BDO – Internal Auditors)
Joanne Buchanan (Mazars – External Auditors)

1 Welcome and Declarations of Interest

The Chair welcomed everyone to the meeting, particularly Chloe Ridley to her first meeting of the Committee as representative of the Internal Auditors BDO.

There were no declarations of interest.

2 Apologies

Apologies were received from Committee members Elaine Anderson and Scott Cooley.

3 Minutes of the Previous Meeting held on 24 November 2020 (Paper 1) C/P

Page 6, Item 12 – The Chair asked members to consider whether the item remain in the Reserved Items section of the minutes or if it should be moved to the main section. The Board Secretary advised members that the information contained in Item 12 was not confidentially sensitive and did not breach any data protection legislation. The Committee discussed the matter and agreed that Item 12 be moved to the main section of the minutes.

The minutes were approved as a correct record, subject to the above amendment.

Proposed: Steve Graham Seconded: Matthew Wilson

Audit Action Tracker (Paper 1A) (P)

Action 2 The Committee agreed that this Action should now be considered under the remit of BRIC and should be removed from the Audit Action Tracker and transferred as a BRIC action.

Action 5 The Committee agreed this would be marked as Completed.

Action 6 The Committee agreed this would be marked as Completed.

4 Matters Arising

There were no matters arising not dealt with on the Agenda.

5 Internal Audit - BDO

i. Internal Audit Report 2020-21 – Partnership Working (Paper 2) (P)

C Ridley introduced Paper 2 as presented, advising members that there were no findings to note from the review.

ii. Internal Audit Report 2020-21 – Financial Controls (Paper 3) (P)

C Ridley took the Committee through Paper 3 and stated that the College had excellent Financial Controls in place, as reflected in the report, with only one low level recommendation identified.

iii. Internal Audit 2019-20 – Progress Report (Paper 4) (P)

C Ridley introduced Paper 4 and took members through the progress made to date. It was noted that a further report had been completed and would be considered by the Senior Leadership Team at their meeting in June 2021.

In response to a question from the Chair, J Thomson confirmed that it remained the intention that the Commercial Income audit would go ahead as planned.

The Committee approved Papers 2 and 3 and noted the Progress Report to date.

6 Business Continuity Plan (Paper 5) (P)

J Thomson introduced Paper 5. The Committee was reminded that, in order to ensure the experiences and lessons learned during the Covid-19 pandemic were utilised in the ongoing development of the BCP, the College had commissioned Zurich Municipal (College Insurers) to undertake a lessons learned and horizon scan exercise. J Thomson further advised that the findings from the survey were used to update the Business Continuity Plan as presented to members today.

J Thomson then provided members with a presentation (contained in Admincontrol) highlighting the extracted findings from the Zurich Municipal Survey. The Committee was provided with graphical information outlining the areas of strength and areas for improvement as well as the recurring comments made in the survey. Following discussion, the Committee agreed that it would be beneficial to also receive a copy of the full Zurich Municipal Report on the survey. M Breen confirmed that this would be circulated to members for their information.

J Thomson then directed members attention to the Business Continuity Plan, highlighting the various sections contained therein and outlining the actions to be taken.

The Committee discussed the BCP in detail and a number of questions were given satisfactory responses. In relation to one query, M Breen advised that the College had increased its focus on cyber security and had recently agreed a contract with a specialist company to undertake a full and high level review of the College's ICT systems and security. The Committee asked to be kept informed of the progress of this review at future meetings.

The Committee approved the revised Business Continuity Plan and thanked J Thomson and M Breen for their comprehensive report.

Action: M Breen / J Thomson to circulate the full Zurich Municipal Survey Report to members.

Action: Updates on the progress of the College Cyber Security Review be provided at future meetings of the Committee pending, completion of and presentation of the review report to this Committee.

7 Internal Audit Rolling Action Plan as at 8 March 2021 (Standing Report) (Paper 6) (P)

J Thomson introduced Paper 6, advising that the two audit recommendations due in the period had been completed.

The Committee noted and welcomed Paper 6.

8 Audit Development Session (Verbal) (P)

J Thomson provided a verbal update and asked the Committee to consider whether an Audit Development Session would be beneficial.

The Committee discussed various topics and agreed that a session would be welcomed, particularly in light of the number of new Board members. Topics to be covered included risk management and the role of audit. J Thomson confirmed that he would organise a session and would provide further information in due course.

The Committee thanked J Thomson and looked forward to receiving further information.

Action: J Thomson to work with Y Melvin to organise an Audit Development Session

9 Internal Audit Services for AY 2021-22 (Verbal) (R)

The Internal and External Auditors left the meeting.

J Thomson provided a verbal update, reminding members that the previous Tender process for Internal Audit Services took place 3 years ago and BDO, as the successful Auditors, were awarded the contract.

The Committee considered the Internal Audit Services for AY 2021-22 and agreed that the contract of the current Internal Auditors, BDO, be extended by 1 year.

The Committee thanked J Thomson for the update and agreed the extension of BDO's contract by 1 year.

10 Date of Next Meeting – Tuesday 8 June 2021 at 4pm

P - Papers will be published on the College Website, R - Papers will not be published for reasons of commercial confidentiality or for reasons associated with data protection legislation, C/P - Confirmed minutes will be published on the College Website

Reserved Items on the next page.