

**Minute of the Audit and Risk Committee Meeting
Held on Tuesday 8 June 2021
Via Video Conference using Zoom**

Present: Hazel Murphy (Chair)
Steve Graham (Vice Chair)
Elaine Anderson
Scott Cooley
Alison Sutherland
Matthew Wilson

In attendance: Pauline Donald (Board Governance Adviser)
Yvonne Melvin (Board Administrative Officer)
Michael Breen (Vice Principal - Finance)
Anne Campbell (Vice Principal – Curriculum)
David Davidson (Director of HR & Organisational Development)
James Thomson (Director of Finance, Student Funding & Estates)
Claire Robertson (BDO – Internal Auditors)
Joanne Buchanan (Mazars – External Auditors)
Lucy Nutley (Mazars – External Auditors)

1 Welcome and Declarations of Interest

The Chair welcomed everyone to the meeting, particularly David Davidson to his first meeting of the Committee.

There were no declarations of interest.

2 Apologies

Apologies were received from ELT member Jane McKie.

3 Minutes of the Previous Meeting held on 16 March 2021 (Paper 1) C/P

Page 5, Item 11 – It was highlighted that the actions pertaining to BRIC2 and L&T1 were in the incorrect order.

- The risk category section of BRIC2 to be updated to reflect the learning and teaching components outlined in the risk wording.
- The risk category section of L&T1 to be updated to reflect the financial components outlined in the risk wording.

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

Proposed: Steve Graham

Seconded: Scott Cooley

Audit & Risk Action Tracker (Paper 1A) (P)

Action 7 The Committee noted that this was covered under Agenda item 9, Paper 9 – and therefore should be marked as Completed

Action 8 The Committee noted that there were no significant issues to highlight at this time and that the final audit report will be submitted to the September meeting. The Committee agreed this action would be marked as Completed.

Action 9 The Committee agreed that the due date for this be updated to October 2021 to coincide with the Induction of new Board Members.

Actions 10 - 13 The Committee noted that these actions had been completed prior to the meeting and would be marked as Completed.

4 Matters Arising

The Chair provided members with an update on the cyber related fraudulent incident at the College. The Committee was advised that the incident would be anonymously reported in Audit Scotland's annual fraud and irregularity report. It was noted that the Police were continuing to investigate the matter and further updates would be provided as appropriate.

5 Internal Audit - BDO

i. Internal Audit Report 2020-21 – Coronavirus Job Retention Scheme (Paper 2) (P)

C Robertson introduced Paper 2 as presented, advising members that a number of areas of good practice had been identified. The Committee noted that, in response to the medium level recommendation identified, retrospective checking of all claims submitted had been carried out by the College and no further action was required.

The Committee also noted that the dates on page 2 of the BDO Report should state 2021 and not 2020.

ii. Internal Audit Report 2020-21 – Staff Recruitment (Paper 3) (P)

C Robertson took the Committee through Paper 3 and stated that the findings outlined in the report were all low-level recommendations. The Committee noted that the review of the Equalities Diversity and Inclusion Policy had now been completed.

iii. Internal Audit 2020-21 – Progress Report June 2021 (Paper 4) (P)

C Robertson introduced Paper 4 and took members through the progress made to date. It was noted that the fieldwork for the ICT audit had been completed and the report would be presented to the September Committee meeting, in line with the approved internal audit plan timeline.

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

iv. Draft Internal Audit Plan 2021-22 (Paper 5) (P)

C Robertson took the Committee through Paper 5 as presented and noted that five audit days had been set aside for a future 2021-22 review to be considered and approved at a future Committee meeting. Five days were allocated for a curriculum-based review. The focus of this review is to be determined by the Learning and Teaching Committee.

Action: Learning and Teaching Committee to determine the focus of the five-day curriculum-based review.

The Committee noted and approved Paper 5 as the Internal Audit Plan 2021-22.

6 External Audit - Mazars

i. Audit Strategy Memorandum – Year Ending 31 July 2021 (Paper 6) (P)

L Nutley (Mazars) took the Committee through the Audit Strategy Memorandum. The Memorandum summarised the external audit approach, set out details of the Audit Team, highlighted significant areas of audit risk and areas of key judgements. These included consideration of the Colleges grouped asset accounting policy and whether this is consistent with the requirements of the digital funding provided to colleges in 2020-21 as a consequence of the COVID-19 pandemic.

The Committee noted and discussed the report. L Nutley advised that fieldwork would likely be undertaken using the same remote hybrid model adopted in 2020 but that this will be discussed in collaboration with the College.

The External Audit Strategy Memorandum, including fees and reports, were noted by the Committee.

7 Internal Audit Rolling Action Plan as at 2 May 2021 (Standing Report) (Paper 7) (P)

J Thomson introduced Paper 7, advising that, of the seven audit recommendations due in the period, six had been completed.

The Committee was advised that the outstanding audit action point was in relation to a data sharing agreement in partnership with a local authority and that this was in place but had not been formally finalised.

The Committee noted and welcomed Paper 7.

8 Zurich Municipal Report on Lessons Learnt Review February-March 2021 (Paper 9) (R)

J Thomson introduced paper 9, advising that the Report had been provided for information at the request of the Committee at their meeting in March 2021.

9 AOB

S Graham, in his capacity as Vice-Chair of the Committee, reported that H Murphy would be retiring with effect from 31 July 2021. As such, this was the last meeting she would attend as Chair of the Audit and Risk Committee. Hazel's quietly understated manner with the eagle eye of an accountant and auditor would be a great loss to the Committee. Her positive and professional approach to her position as a Committee Chair and as a Board member made her a pleasure to work with and would be greatly missed, as would her helpful and supportive manner. The Committee thanked Hazel for her contributions during her tenure and wished her the very best for her retirement in France.

The Senior Leadership Team echoed the Committee's remarks and commented that they had greatly benefitted from Hazel's leadership and engagement during her tenure as Chair of the Committee. The Team also wished Hazel all the best in her retirement.

10 Date of Next Meeting – Tuesday 14 September 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.