

Board of Management

Meeting of the Audit and Assurance Committee

MINUTE OF 1st MEETING HELD ON WEDNESDAY 15 SEPTEMBER 2021 AT 1500 HRS
(AAC1)

Present	
Graham Mitchell (GM) Convener	Paul Hillard (PH)
Lorna Hamilton (LH)	
In attendance	
David Archibald (Henderson Loggie) (SI)	Sheila Lodge (SL)
Alisdair Barron (AB)	Alex Stewart (AS)
Catriona Biggs (Azets) (CB)	Stuart Thompson (ST)
Paul Clark, College Secretary (PC)	Ann Butcher (Minute)
Apologies for absence	
Paul Little (PL)	Ronnie Quinn (RQ)

Members agreed the meetings would continue to commence at 1500 hours.

Item AAC1-1	Apologies for Absence	
Paper No:	Lead: Convener	Action requested: Note
Decision/Noted	Apologies were received from PL and RQ. CB attended the meeting in the absence of G Devlin.	

Item AAC1-2	Declarations of Interest	
Paper No:	Lead: Convener	Action requested: Note
Decision/Noted	There were no declarations of interest.	

Item AAC1-3	Items to be Discussed Privately with Auditors	
Paper No:	Lead: Convener	Action requested: Note
Decision/Noted	There were no items raised to be discussed privately with the auditors.	

Item AAC1-4.1	Minute of the Meeting held on 26 05 21	
Paper No: AAC1-A	Lead: Convener	Action requested: Approve
Decision/Noted	ST referred to the Assurance Framework and clarified that the role of the new internal compliance auditor would be the "Fourth Line of Defence"	

referred to in the Framework. Subject to this amendment, the minute was approved.

**Matters Arising
Insurance Claim**

ST reported that the independent insurance adjudicator has provided a full report. He has concluded that the outcome of UMAL's offer would be difficult to challenge and the expense of taking a court case against this offer would be lengthy and costly. The Principal has now accepted the claim. It was agreed that the insurance report be circulated to members.

Item AAC1-4.2		Committee Annual Report 2020-21	
Paper No: AAC1-B	Lead: P Clark	Action requested: Approve	
Discussion	<p>PC introduced the Committee Annual Report which provides a high-level review and account of the AAC activities throughout 2020-21, within the framework of the Terms of Reference. The key functions and assurances provided by both Internal and External Auditors and other activities such as the Finance and IT review action plans and assurance framework were noted. PC particularly highlighted that the attendance levels had remained high year on year. Whilst the membership was currently 4, this was not unmanageable and is pending further review of Committees and new members' involvement as agreed by the Board Chair.</p> <p>GM commended the report which served as a useful reference and record for the Board and its partners.</p>		
Decision/Noted	Subject to update of the External Audit title (to Azets) and revision of the External Audit retender process date by Audit Scotland, the report was approved.		

Item AAC1-4.3		Programme of Work 2021-22	
Paper No: AAC1-C	Lead: P Clark	Action requested: Approve	
Discussion	<p>PC presented the proposed Programme of Work which provides a list of essential work and approvals throughout 2021-22.</p> <p>GM requested that an additional standing item providing a year-end report on the integration and governance arrangements of City of Glasgow International (CGI) should be presented to the AAC following the first year of trading. This was agreed and will be added to the September 2022 meeting of the Committee.</p> <p>GM further requested that an asset report also be provided for additional assurance. ST reported that a specific asset review would be included within the next Internal Audit Plan and would also be reviewed by External Audit as part of the year end audit. He further advised that purchasing, control and movement of assets is being closely monitored; however this is currently labour intensive and a new asset management system is scheduled within the digital transformation process. It was agreed that an Internal Audit review will take place during 2021-22 as part of the overall Plan.</p>		

	<p>Discussion followed on the provision of a Covid impact and management report. Whilst this is currently being considered as part of the ongoing risk assessment process (under Risk 27), the value of a reflective report highlighting the changes and improvements made, across a range of operations (eg pedagogy and hybrid working) and the accelerated management protocols put in place in response to the crisis, would be beneficial.</p> <p>DA reminded members that it had previously been suggested that Internal Audit undertake a reflective review which will be presented at the next meeting of the Committee. ST added that the Director of Excellence is also undertaking a report on the impact on performance and lessons learned from the pandemic and may be available for presentation in parallel with the IA report. This was agreed.</p>
Decision/Noted	<ul style="list-style-type: none"> • Subject to agreed additions, the Programme of Work 2021-22 was approved. • Covid impact and management reports (from Performance Directorate and Internal Audit) will be submitted at the next meeting.

Item AAC1-4.4	Draft Governance Statement	
Paper No: AAC1-D	Lead: P Clark	Action requested: Approve
Discussion	<p>PC reminded the Committee that the Governance Statement is a required element of College Annual Report, and presented a draft Statement for review and approval in advance of inclusion within the full College Annual Report 2020-21.</p> <p>GM suggested that Planning and Strategy should be specifically included within the list of Board responsibilities. This was agreed. Members further discussed inclusion of additional detailed information particularly relating to the impact of COVID. PC advised that this would not be overlooked and would be included within the full College Annual Report. To avoid repetition, further detail was not provided within the Committee Report.</p>	
Decision/Noted	Subject to agreed amendment, the Governance Statement for 2020-21 was approved.	

Item AAC1-5.1	Assurance Framework Review	
Paper No: AAC1-E	Lead: P Clark	Action requested:
Discussion	<p>PC provided the Committee with an update on the Assurance Framework checklist. This has recently been reviewed and updated by ELT members with no significant changes highlighted. As discussed earlier in the meeting, members noted that reference to the College assurance and compliance function (Fourth Line of Defence) would be updated once the new compliance manager is in place.</p> <p>SL reaffirmed that the Project Management Office function is to support and help deliver College projects and was not considered as the Fourth Line of Defence. Proactive recruitment for the position of Compliance</p>	

	Manager is ongoing. An update on progress will be provided at the next meeting.
Decision/Noted	<ul style="list-style-type: none"> To note the Assurance Framework Checklist. To provide an update on progress of recruitment for Compliance Auditor.

AB joined the meeting during the following discussion.

Item AAC1-5.2	Internal Audit Review Reports	
Item AAC1-5.2.1	Equality and Diversity	
Paper No: AAC1-F	Lead: D Archibald	Action requested: Discuss
Discussion	<p>DA provided a summary overview of the outcomes following the review of the Equality and Diversity arrangements. Three Priority 3 weaknesses were identified.</p> <p>The positive work undertaken by the dedicated ED&I team to ensure compliance in line with the Equalities and Human Rights Commission guidance for FE was acknowledged. This included establishment of ED&I policy and admission procedures and ED&I training at staff induction. The ongoing consultation with staff and students who share protected characteristics (to improve inclusion) and frequent updates provided to the Student, Staffing and Equalities Committee was also highlighted.</p> <p>Whilst no significant control weaknesses were identified, it was noted that the College's Equality Act Summary of Duties and, the Student Bullying and Harassment and Student Disciplinary (to include Cyber Bullying) Policies all require updating. Management should also be reminded that Equality Impact Assessments (EQIAs) should be completed for all Policies by owners as appropriate.</p> <p>SL reassured the Committee that the process for monitoring and updating policies and procedures had been improved through a review of the Policy and Procedure Tracker, including completion of EQIAs.</p>	
Decision/Noted	To note the overall level of assurance as Satisfactory.	

Item AAC1-5.2.2	Debtors/Income	
Paper No: AAC1-G	Lead: D Archibald	Action requested: Discuss
Discussion	<p>DA reported on the findings and recommendations following the review of the systems in place for Debtors and Income. Two Priority 3 weaknesses were identified.</p> <p>Whilst a range of finance policies, procedures, systems and approaches were in place it was recommended the these could be further enhanced through more efficient handling of invoice requests and a review of current guidance relating to credit notes.</p> <p>ST advised that the vast majority of invoices are raised automatically via the College UNITE system. Training of additional delegated staff on raising ad hoc invoice requests is being considered.</p>	

Decision/Noted	To note the overall level of assurance as Good.
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Item AAC1-5.2.3	Follow Up Report
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Paper No: AAC1-H	Lead: D Archibald	Action requested: Discuss
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Discussion	<p>DA updated the Committee on the progress made in implementing the recommendations from Internal Audit reports finalised during 2020-21.</p> <p>The Committee noted that the College has made good progress in implementing the recommendations followed-up as part of this review with 29 (57%) of the 51 recommendations being classified as 'fully implemented'. 20 recommendations (39%) were assessed as 'partially implemented'. These 20 recommendations will be subject to a further follow-up at a later date. A further two recommendations were considered by management but will not now be implemented.</p> <p>PH suggested that for added assurance, a brief update report be provided mid-year. Given the extraordinary circumstances over the past 18 months and recognising the challenges management are currently dealing with, members agreed that a conjoined summary report provided by Internal Audit and the new Compliance Manager be presented at the March 2022 meeting of the Committee.</p>	
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Decision/Noted	To provide a conjoined summary report at the March 2022 meeting.
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Item AAC1-5.3	Internal Audit Progress Report
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Paper No: AAC1-I	Lead: D Archibald	Action requested: Discuss
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Discussion	<p>The summary of progress made in the delivery of the annual plan for 2020-21 was noted. DA confirmed that fieldwork for the Business Engagement, Partnership Working and IT Network Arrangements/Security are now complete. Findings will be concluded over the next week and these reports will be submitted at the November meeting of the Committee.</p> <p>Fieldwork on Fraud Prevention, Detection and Response and the Credits audits have now commenced. The Curriculum Planning audit was deferred due to staff illness and will be complete for reporting at the next meeting.</p> <p>GM recognised the extensive number of reports for submission at the November AAC meeting and requested that these be provided when available in advance which will allow additional time for review. This was agreed.</p>	
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Decision/Noted	<ul style="list-style-type: none"> To note the progress on the Internal Audit report as at September 2021. To circulate completed reports to members for review when available. 	
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Item AAC1-5.4	Data Protection	
Item AAC1-5.4.1	Data Protection Officer Report	
Paper No: AAC1-J	Lead: S Lodge	Action requested: Discuss
Discussion	<p>SL provided a summary update on the current action plan and Data Protection Officer's (DPO's) assessment of the College's level of accountability with regard to the Information Commissioner's Office (ICO)'s accountability framework. It was proposed that the College embeds the ten themes provided within the ICO framework into the Data Protection Action Plan and Accountability Record. An overview of the College's level of compliance with these themes was submitted and members agreed that further detail and timeline for areas highlighted as 'improvement required' should be provided.</p> <p>The report on areas for action and update on progress was reviewed by members. It was agreed that a progress update, in particular Contracts and Data Sharing, will be provided at the next meeting.</p> <p>DA provided a brief update on the IA Data Protection recommendations to date.</p> <p>Committee members commended the content and format of the report.</p>	
Decision/Noted	To provide an update at the next meeting.	
Item AAC1-5.4.2	Data Breaches 2020-21	
Paper No: AAC1-K	Lead: S Lodge	Action requested: Discuss
Discussion	<p>SL informed the Committee of the College data breaches which occurred during academic year 2020-21. Nine data breaches were reported, none of which were sufficiently serious to warrant report to the ICO Scotland. Causes have been identified and more rigorous controls and appropriate actions have been taken. The Committee noted that e-mail security will continue to be an area of focus within the DPO training for staff.</p> <p>Staff will continue to be encouraged to report data breaches and support will be provided as appropriate.</p>	
Decision/Noted	To note the report.	
Item AAC1-5.5	Strategic Risk Review	
Paper No: AAC1-L	Lead: P Clark	Action requested: Discuss
Discussion	<p>PC provided an update on the risks that have been identified as highest scoring risks, and those risks which are the particular responsibility of the Committee, i.e. Risks 1, 7, 10, 11, 12, 15, 16, 22, 24 and 27. Updated mitigations and commentary were reviewed by the Committee. The following recent reviews were particularly discussed:</p> <p>Risk 1 '<i>Failure to support successful student outcomes</i>'. Members noted that the Learning and Teaching Committee reviewed this risk on 07 09 21 and agreed a revised Risk Score of 2 x 5 = 10 (from RED to AMBER).</p>	

Risk 10 '*Negative impact of statutory compliance failure*'. A potential compliance failure regarding public sector website and app accessibility standards was identified. An audit has been undertaken and the various recommendations are being actioned with support from the new Project Management Office. The current Risk Score 10 (AMBER) was retained.

Risk 12 '*Failure of Business Continuity*'. The Committee was reminded that the new Hybrid Working Toolkit is now in place to support the safe return to campus operations on a hybrid basis. The Risk Score 12 (AMBER) was retained.

PH highlighted the potential for emerging risks around current supply chain disruptions and inflation increases, particularly in relation to Risks 12 and 15. ST reported that this matter is being discussed by ELT/SMT and the rising cost pressures have been recognised. College Procurement are working closely with APUC and a high-level guide on current market activities, risks and opportunities has been circulated to relevant staff members. To avoid disruption, and where possible, staff will take a more proactive and forward planning process to ensure minimum impact on performance and delivery of the curriculum.

The Risk Score for Risk 22 '*Negative Impact of Brexit*' was considered. The Committee agreed that whilst inflation and National Insurance costs are rising, there was no immediate risk impact. The Risk score of 3 x 4 = 12 (AMBER) was retained. A further update on the likely impact of Brexit will be provided by ST at the next meeting for further review.

Members noted that the Financial Risk Scores are broadly improving.

Decision/Noted

- To update the Risk Scores as agreed.
- That ST provide an update on potential impact of Brexit at the next meeting.

Item AAC1-6	Any Other Notified Business	
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Paper No: Verbal	Lead: S Thompson	Action requested: Discuss
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Decision/Noted	None.	
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Item AAC1-7	Disclosability of Papers	
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Paper No: Verbal	Lead: P Clark	Action requested: Note
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Decision/Noted	The disclosability status of all other papers as described on respective cover sheets were retained.	
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Item AAC1-8	Date of Next Meeting	
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Paper No:	Lead:	Action requested: Note
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Decision/Noted	Tuesday 23 November 2021	
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The meeting closed at 1655 hours.

ACTION POINTS ARISING FROM THE MEETING

Item	Description	Owner	Target Date
AAC1-4.4 15 09 21	Programme of Work: Covid impact and management reports to be submitted at next meeting.	ST/ Performan ce	23 11 21
AAC1-5.1 15 09 21	Assurance Framework Review: Provide update on progress of recruitment of Compliance Auditor.	SL	23 11 21
AAC1-5.2.3 15 09 21	Follow Up Report: Provide joint summary report (IA + Compliance Manager)	DA/ST/SL	02 03 22
AAC1-5.2 15 09 21	IA Progress Report: Circulate completed Reports when available, in advance of the next meeting.	ST/DA	In advance of 23 11 21
AAC1-5.5 15 09 21	Strategic Risk Review: Provide update on potential impact of Brexit.	ST	23 11 21

ACTION POINTS ARISING FROM PREVIOUS MEETINGS

Item	Description	Owner	Target Date
AAC4-4.2 26 05 21	Insurance Claim: Circulate feedback via email to members.	ST	01 06 21 Complete
AAC4-5.3 26 05 21	Data Protection Update: Provide DP training to Board members.	SL	ASAP
AAC4-5.4 26 05 21	IT Effectiveness Report Update: Provide Lessons Learned Report.	ST	ASAP
AAC4-5.5	Finance Effectiveness Report Update: Provide Lessons Learned Report	ST	ASAP
AAC4-5.8 26 05 21	Internal Audit Progress Report: Include COVID response review in Plan for Session 2021-22.	ST/SI	ASAP Superseded
AAC4-5.8 26 05 21	Internal Audit Progress Report: Provide Capital Projects Update at next meeting.	ST	15 09 21 Superseded
AAC4-5.1 26 05 21	Strategic Risk Review: Update Risks as agreed.	PC	ASAP Complete
AAC4-5.1 26 05 21	Strategic Risk Review: Consider Risk Scores and descriptions of Risks 1 and 3 at Learning and Teaching Committee	PC	LTC Mtg 07 09 21 Complete