

Board of Management

Meeting of the Audit and Assurance Committee

MINUTE OF 2nd MEETING HELD ON TUESDAY 5 DECEMBER 2023 AT 1500 HRS,
CITY CAMPUS, ROOM C.06.106 (AAC2)

Present	
Paul Hillard (Convener)	Lorna Hamilton
Dave Anderson	
In attendance	
Karen Acheson	Peter Lindsay (Audit Scotland)
Andrew Dickson	Paul Little
Zoe Headridge (Audit Scotland)	Drew McGowan (Minute)
Stuart Inglis (Henderson Loggie)	
Apologies for absence	
Charandeep Singh	

Item AAC2-1	Apologies for Absence	
Paper No:	Lead: Convener	Action requested: Note
Decision/Noted	Apologies were noted for C Singh.	

Item AAC2-2	Declarations of Interest	
Paper No:	Lead: Convener	Action requested: Note
Decision/Noted	No interests were declared.	

Item AAC2-3	Items to be Discussed Privately with Auditors	
Paper No:	Lead: Convener	Action requested: Note
Decision/Noted	The Committee met briefly in a private session with the internal and external auditors without attending officers present.	

Item AAC2-4.1	Minute of the Meeting held on 12 September 2023	
Paper No: AAC2-A	Lead: Convener	Action requested: Approve
Decision/Noted	That the minutes were approved.	

Item AAC2-4.2	Appointment of Convener	
Paper No: Verbal	Lead: D McGowan	Action requested: Approve
Decision/Noted	The Committee agreed to appoint P Hillard as the Convener.	

Item AAC2-4.3	Draft Annual Report & Accounts 2022-23	
Paper No: AAC2-B	Lead: A Dickson/D McGowan	Action requested: Approve
Discussion	<p>D McGowan provided an overview of the annual report to the Committee. He highlighted the College's statement of compliance with the Code of Good Governance and the internal auditor's opinion that adequate and effective arrangements are in place for risk management, control and governance. In terms of the accounts, A Dickson highlighted that the College's adjusted operating deficit and underlying cash balance were better than previously anticipated.</p> <p>The Committee noted that the Annual Report and Accounts had been reviewed and approved by the Finance Committee at its previous meeting. P Hillard welcomed the Chair and the Principal's forewords as they clearly and concisely articulated the success of the College and the challenges faced during the year.</p> <p>Members also noted that the descriptions of the impact of recent industrial action within the report were accurate at the time of writing. While there have been positive developments recently, it may be too early to make amendments before the Board is asked to issue final approval of the Annual Report and Accounts. D McGowan highlighted that any changes would be included in the Annual Report and Accounts for 2023-24.</p>	
Decision/Noted	<p>To approve the draft Annual Report and Accounts for 2022-23.</p> <p>To agree to recommend the draft Annual Report and Accounts for 2022-23 for final approval by the Board on 14 December 2023.</p>	

Item AAC2-5.1	External Audit Annual Report 2022-23	
Paper No: AAC2-C	Lead: P Lindsay/A Dickson	Action requested: Discussion & Decision
Discussion	<p>P Lindsay introduced the External Audit Annual Report for 2022-23 and summarised Audit Scotland's key findings. In addition to confirming that the annual report and accounts had been issued with an unqualified opinion, he highlighted to members that the College has a clear vision and strategy and appropriate financial and governance arrangements in place.</p> <p>The Committee welcomed the positive report that the College had achieved in difficult circumstances. P Little and A Dickson confirmed that they were content with the recommendations in the report.</p>	
Decision/Noted	To discuss the report.	

Item AAC2-5.2	External Audit Letter of Representation	
Paper No: AAC2-D	Lead: P Lindsay/A Dickson	Action requested: Discussion & Decision
Discussion	P Lindsay provided an overview of the letter of representation. The Committee was content to approve the letter of representation and noted that it would be tabled at the Board and signed by the Principal.	
Decision/Noted	To approve the External Audit Letter of Representation.	

Item AAC2-5.3	Register of Interest Status Report	
Paper No: Verbal	Lead: D McGowan	Action requested: Discussion & Decision
Discussion	D McGowan confirmed to the Committee that the Board of Management's Register of Interests is up-to-date and published on the College's website. Members noted that the Register of Interests is now a single document for the Board, which replaces individual documents per member.	
Decision/Noted	To note the update.	

Item AAC2-5.4	Internal Audit Reports	
Item AAC2-5.4.1	Student Funding Business Process Review	
Paper No: AAC2-E	Lead: S Inglis	Action requested: Discussion & Decision
Discussion	S Inglis provided an overview of the business process review recently undertaken with the Student Funding team. Members noted that this review was different from a normal internal audit in that it focused on improvements rather than internal controls. The Committee discussed the high priority recommendation to review how systems could be integrated.	
Decision/Noted	To note the report.	

Item AAC2-5.4.2	Student Support Funds 2022-23	
Paper No: AAC2-F	Lead: S Inglis	Action requested: Discussion & Decision
Discussion	S Inglis explained that the internal audit of student support funds in the previous academic year is a requirement of the Scottish Funding Council (SFC) and Student Awards Agency for Scotland (SAAS). He confirmed that the certificates would be submitted to the SFC and SAAS without reservation. The Committee noted the recommendations outlined in the report and, in particular, discussed the recommendations on bursaries.	
Decision/Noted	To note the report.	

Item AAC2-5.4.3		Fraud Prevention, Detection & Response
Paper No: AAC2-G	Lead: S Inglis	Action requested: Discussion & Decision
Discussion	S Inglis provided an overview of the internal audit into the College's approach to fraud prevention, detection and response. He highlighted several areas of good practice that were identified during the audit. One area for improvement was identified and it has been recommended that formal anti-fraud training be developed for staff. The Committee welcomed that the overall level of assurance in this report was good, the highest level of assurance possible, and agreed that it should be highlighted to the Board on 14 December 2023.	
Decision/Noted	To note the report and the overall level of assurance as good. To highlight the outcome of the internal audit to the Board.	

Item AAC2-5.4.4		2022-23 Student Activity Data
Paper No: AAC2-H	Lead: S Inglis	Action requested: Discussion & Decision
Discussion	The Committee considered the internal audit on student activity data from 2022-23. S Inglis highlighted the internal auditors' opinion that the College had compiled its student data returns in compliance with the relevant guidance, had adequate procedures in place to ensure the accurate data collection/recording and that the FES return was free from material misstatements.	
Decision/Noted	To note the report.	

Item AAC2-5.5		Internal Audit Annual Report 2022-23
Paper No: AAC2-I	Lead: S Inglis	Action requested: Discussion & Decision
Discussion	S Inglis tabled the Internal Audit Annual Report for 2022-23, which summarises all internal audits undertaken in the previous academic year, for the members' consideration. The Committee welcomed that no major internal control weaknesses were identified and the internal audit opinion that the College continues to have adequate and effective arrangements for risk management, control and governance in place.	
Decision/Noted	To note the report.	

Item AAC2-5.6		Internal Audit Overview
Paper No: AAC2-J	Lead: K Acheson	Action requested: Discussion & Decision
Discussion	K Acheson provided a report on the College's implementation of recommendations and actions from audits. She highlighted work with internal auditors and key colleagues in the College to review older actions and recommendations to ensure that they remain as relevant to the current circumstances and responsive to developments. The Committee welcomed progress and noted plans for performance measures to be introduced.	
Decision/Noted	To note the report.	

Item AAC2-5.7		Strategic Risk Review	
Paper No: AAC2-K	Lead: D McGowan	Action requested: Discussion & Decision	
Discussion	D McGowan confirmed to members that there were no changes to risk scores reported to the Committee following the most recent quarterly review. Members also noted that a strategic risk session was delivered as part of the Board's strategic planning day in November. This was an opportunity for the Board and the Executive Leadership Team to review the risk register and environment and begin the process of setting a new risk appetite for the College.		
Decision/Noted	To note the report.		

Item AAC2-5.8		Public Interest Disclosure Report	
Paper No: AAC2-L	Lead: P Little	Action requested: Discussion & Decision	
Discussion	P Little tabled the investigation report and outcome letter from the recent Public Interest Disclosure (PID) for discussion of members. He confirmed that the investigation did not uphold any of the three points raised in the PID. Members noted that no appeal had been received to date. The Committee thanked P Little and K Acheson for the thorough investigation and diligent handling of the PID.		
Decision/Noted	To note the report.		

Item AAC2-6.1		Data Protection Officer Quarterly Report	
Paper No: AAC2-M	Lead: S Lodge	Action requested: Note	
Decision/Noted	To note the report.		

Item AAC2-6.2		SFC Financial Memorandum Delegated Limits & Expenditure Annual Report	
Paper No: AAC2-N	Lead: A Dickson	Action requested: Note	
Decision/Noted	To note the report.		

Item AAC2-6.3		Staff Compensation Payments Report	
Paper No: AAC2-O	Lead: A Dickson	Action requested: Note	
Discussion	A Stewart informed the Committee that the voluntary severance figures in the paper were now incorrect. He confirmed that the correct figures were included in the Annual Report and Accounts 2022-23.		
Decision/Noted	To note the report.		

Item AAC2-7	Any Other Notified Business	
Paper No: Verbal	Lead: Convener	Action requested: Note
Decision/Noted	None.	

Item AAC2-8	Disclosability of Papers	
Paper No: Verbal	Lead: D McGowan	Action requested: Note
Decision/Noted	That the disclosability of the papers remain unchanged.	

Item AAC2-9	Date of Next Meeting	
Paper No: Verbal	Lead: Convener	Action requested: Note
Decision/Noted	Tuesday 12 March 2024.	

The meeting closed at 1630 hours.

ACTION POINTS ARISING FROM THE MEETING

Item	Description	Owner	Target Date
AAC2-4.3 05 12 23	Annual Report and Accounts: To be tabled for final approval of the Board of Management at the next meeting.	AD/DM	14 12 23
AAC2-5.4.3 05 12 23	Fraud Prevention, Detection & Response: To highlight the outcome of the recent internal audit and the 'good' level of assurance to the Board at the next meeting.	PH	14 12 23

ACTION POINTS ARISING FROM PREVIOUS MEETINGS

Item	Description	Owner	Target Date
AAC1-4.3 12 09 23	Committee Schedule of Business: That the DP Annual Report be submitted at the next Board meeting.	DM/SL	Complete 04 10 23
AAC1-4.4 12 09 23	Committee Annual Report AY 22-23: That the Report be submitted for noting at the next Board meeting.	DM	Complete 04 10 23
AAC1-5.3 12 09 23	Status of Recommendations from the FM Breach IA Report: Provide LH with a copy of the SFC letter.	DM	Complete ASAP
AAC1-5.1 12 09 23	DPO Report: Consider provision of feedback on the Information Security & Record Management section.	SL	Complete
AAC1-5.6 12 09 23	Internal Audit Overview: Consider implementation of Performance measures.	KA/P Hillard	Ongoing
AAC1-6 12 09 23	AONB: Provide a full report on Public Interest Disclosure.	KA/DM	Complete 05 12 23