

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE

HELD: THURSDAY 4 MARCH 2021 AT 1600 VIA MICROSOFT TEAMS

Present	In Attendance
Richard Woods (Chair)	Graham Gillespie (WB)
Ann Kendal	Stephen Pringle (WB)
Steve Roberts	Chris Malish (DCEO)
Tiffany Lythgow	Zohayb Mohammed (Director of Finance & Procurement)
Apologies	Vince Dalton (Interim Director of MIS)
None	Sarah Cooper (DPS)
	Sarah McKenzie (Clerk)
	Allison McEvoy (Assistant Clerk)

The quorum was two committee members

L/J Denotes the time any individual left/ re-joined the meeting.

Item		Action/ Report Item
1.	<u>Members to meet with Auditors in the absence of management</u>	
1.1	Wylie Bisset (internal audit) raised concerns regarding progress with the the Staff Utilisation Audit, owing to outstanding evidence to be shared with the auditors. The audit had commenced in November 2020 and was due to be presented to this meeting of the Audit Committee.	
1.2	Wylie Bisset notified members that without the additional evidence the audit was likely to be rated 'weak' and that the audit had been put on hold pending direction from the Audit Committee. It was noted that the original data that had been received was now likely to be out of date.	
1.3	Q. In the auditor's opinion what should happen with the Staff Utilisation Audit process? Are you able to resurrect what has already been done when you receive the updated information? A. We wouldn't have to start from the beginning but given that we are looking at staff utilisation data, the date we do have related to November 2020 and so we will need to have updated information relating to the time of the audit conclusion i.e. March 2021 data.	
1.4	Q. Is the information you require college wide or is it from a particular location? A. It is coming from the HR area of the College.	
1.5	Q. What is the exposure to the College in terms of risk and funding?	

1.6	<p>A. If the College does not have the information as to how under or over utilised its staff are, this could impact staffing costs, morale etc.</p> <p>Q. So it will impact our Value for Money?</p> <p>A. Yes it effects the budgeting and planning.</p>	
1.7	<p>Q. Are you receiving hostility from the team because they don't want to provide the information as it may open them up to further criticism?</p> <p>A. No but the lack of engagement raises concern about the availability of the information.</p>	
1.8	<p>Members agreed that the audit needed to be brought to conclusion and a report should be made available to the 20 May 2021 Audit Committee, therefore the auditors require all updated and outstanding information pre-Easter. It was agreed that this issue would be explored with the DPS under item 5 of the agenda.</p>	
2	<p><u>Introductions, Apologies for Absence and Disclosure of Interest</u></p>	
2.1	<p>No apologies were noted.</p>	
2.2	<p>The Chair welcomed Tiffany Lythgow the new Staff Governor.</p>	
2.3	<p>There were no disclosures of interest.</p>	
3	<p><u>Minutes of the meeting held on 10 December 2020 and Matters Arising</u></p>	
3.1	<p>RESOLVED: The Minutes of 10 December 2020 were approved as an accurate record and can be signed by the Chair.</p>	
3.2	<p>The Matters Arising Report was reviewed.</p>	
4	<p><u>Chair's Actions</u></p>	
4.1	<p>There had been no use of Chair's action since the last meeting.</p>	
5.	<p><u>Internal Audit Reports</u></p>	
5.1	<p>Wylie Bisset gave an update on the Internal Audit Reports:</p>	
5.2	<p><u>Funding Review</u></p> <ul style="list-style-type: none"> • The funding review has an overall assurance of substantial. • A review of the ILR requirements was carried out. • The College is collecting and recording data in accordance with the ILR Specification for 2020/21. • Core data is collected and accurately entered on the College's learner records system. • The processes used are sufficient to capture all learners. • Withdrawals are notified to and processed by MIS in a timely manner. • All funding types are included on the ILR as required. 	

	<ul style="list-style-type: none"> • All learners have been properly enrolled in the College and have a learner agreement in place. • All learners have a unique learner number. • Data which is not required for collection is not included in the ILR files. • A selection sample of 62 learners was used to undertake testing focusing on attendance (including withdrawals and transfers) • There were 4 recommendations (1 medium and 3 low) • There are 15 areas of good practise. • Overall it is a positive review. 	
5.3	<p>Q. Do we take a cross section of learners from across the College or from specific areas?</p> <p>A. It is usually random sample but we ensure we have covered aspects from across all areas.</p>	
5.4	<p><u>HR Follow up Report</u></p> <ul style="list-style-type: none"> • The HR Follow up report was given an overall assurance of substantial. • 8 actions have been completed. • 3 are partially complete: <ul style="list-style-type: none"> 1. The functionality of the iTrent system 2. Contracts of employment 3. Performance Management and Development via Appraisals • Overall, we are very happy with the progress that has been made. <p>Q. What is the issue with the contracts of employment?</p> <p>A. It was related to not having a signed contract filed electronically, these are held in paper files and need scanning on to the system when we return to working on-site.</p>	
5.5	<p>The Chair advised raised concerns regarding the outstanding Staff Utilisation Audit, as per the discussion held in the closed session with the auditors. The Chair noted that:</p> <p>The internal auditors had been unable to conclude the audit owing to incomplete information and that this now needs collecting to be provided, along with any updated information requested before Easter to allow the auditors to conclude the audit.</p>	
5.6	<p>The DPS agreed to prioritise the audit and advised that she had received some of the outstanding information that morning and that she will be able to provide the information required to the pre-Easter deadline</p>	
5.7	<p>The Chair asked the auditors to make him aware via the Clerk if the data is not received to the timeframe agreed.</p>	

<p>6.</p> <p>6.1</p> <p>6.2</p>	<p><u>Internal Recommendations- Follow up</u></p> <p>The DCEO provided an overview on the Internal Audit Recommendations- Follow up. The key points being:</p> <ul style="list-style-type: none"> • In 2019/20 there were eight audits that generated 43 recommendations of which 35 have been completed, 11 are ongoing, 1 not implemented. • The completion rate is 81% of those due, 26% are of those due are ongoing. Of those ongoing 2 were rated as high, 3 medium and 3 low. • In the main the ongoing actions are awaiting final sign off of procedures/policies at the upcoming committees. • Overall the progression on audit actions has been reasonable, though some ongoing actions are taking longer due to remote working and that the action suggested an ongoing set of actions. <p><u>It was noted that Wylie Bisset will complete their follow up review towards the end of the academic year.</u></p>	
<p>7.</p> <p>7.1</p> <p>7.2</p> <p>7.3</p>	<p><u>Value for money- defining VFM</u></p> <p>The Director of Finance & Procurement provided an overview of the VFM Report highlighting that value for money will be the overarching focus as the College proceeds to tender for a number of major supplies including:</p> <ul style="list-style-type: none"> • Payroll and HR system • Total Facilities Management • Occupational Health • Major capital works E.G. • IT infrastructure • Learner Management System <p>The Committee considered the frequency of the report and agreed that the VFM Report should be delivered annually after the ledgers have closed i.e. to the September Audit Committee. This will fulfil the regulatory requirements of the Office for Students.</p> <p>The Chair noted that it was a very comprehensive and helpful report and thanked the Director of Finance & Procurement.</p> <p>The DCEO advised that outcome of the tender for the Total Facilities Management contract will be presented to the Finance and General Purposes Committee at its March 2021 meeting, for approval. The recommendation is that all of the Estates and Outsourcing (with the exception of security which will remain in-house) will go to one provider which will provide a saving of a minimum of £800k over 3 years.</p>	<p>DFP</p>
<p>8.</p> <p>8.1</p>	<p><u>Subsidiaries/joint ventures – governance arrangements</u></p> <p>The Clerk presented a report that sought to provide the Committee with an update against item 5.2 of the Governance Quality Improvement Plan - <i>that effective</i></p>	

8.2	<p><i>governance arrangements and appropriate control, reporting and delegation systems are in place for all partnerships and subsidiaries.</i></p> <p>The report documented the current subsidiary and joint venture arrangements and made two recommendations:</p> <p>1: To ask Inprint and Design to review its governance arrangements to ensure regulatory compliance and efficiency of governance.</p> <p>2: To seek a lay member (governor) from the College to fill the current vacancy on the Inprint and Design board.</p>	
8.3	<p>Recommendation: That both actions relating to Inprint and Design are presented to the Corporation for approval and subsequent action.</p>	Clerk
9.	<p><u>Report on Whistleblowing, Fraud and Other Irregularities</u></p>	
9.1	<p>The DCEO summarised the Report on Whistleblowing, Fraud and Other Irregularities</p> <ul style="list-style-type: none"> • There have been no reports of whistleblowing or fraud since the last report. <p>IT vigilance is ongoing against phishing attacks etc. with IT proactively blocking email accounts and forcing password resets in the event of suspicious activity, for instance the department added a further 6,000 domain that have been added to the blocked list.</p>	
9.2	<p>Members noted the report.</p>	
10	<p><u>Strategic Risks</u></p>	
10.1	<p>The DCEO presented the strategic risk register, it was noted that there had been little change due the sequencing of Committee meetings at this time. It was noted that SR5 would be updated prior to the Corporation meeting on 25 March.</p>	DCEO
11.	<p><u>Policies</u></p> <p>None</p>	
12.	<p><u>Any other business</u></p>	
12.1	<p>The Chair noted this would be the last Audit Committee the DCEO would be attending before he leaves the College. The Chair thanked the DCEO on behalf of the Audit Committee and gave personal thanks for all of the work he has done for the Audit Committee whilst in post.</p>	
13	<p><u>Meeting Evaluation</u></p>	
13.1	<p>Meeting evaluation form to be circulated via email.</p>	Assistant Clerk

Approved by the Committee:

A. Kendal
Signed by the Chair

07.07.2021
Date

Agreed Actions

#	Minute	Action	Who
1	7.2	VFM Report should be delivered annually after the ledgers have closed	DFP
2	8.3	1: To ask Inprint and Design to review its governance arrangements to ensure regulatory compliance and efficiency of governance. 2: To seek a lay member (governor) from the College to fill the current vacancy on the Inprint and Design board. Recommendation: That both actions relating to Inprint and Design are presented to the Corporation for approval and subsequent action.	Clerk
3	10.1	SR5 would be updated prior to the Corporation meeting on 25 March.	DCEO
4	13.1	Meeting evaluation form to be circulated via email.	Assistant Clerk