

Board of Management

Minute of the Meeting of the Audit Committee of the Board of Management of Dumfries and Galloway College held on 8 March 2016 at 12:30 pm in Room 2009

Present:	Hugh Carr (Chair) Stuart Martin	Delia Holland Pat Kirby
In attendance:	Carol Turnbull, Principal Philip Church, Client Manager, RSM Jannette Brown, Secretary to the Board and Vice Principal Corporate Services & Governance	Karen Hunter, Finance Manager Angela Pieri, Grant Thornton
Minute Taker:	Heather Tinning, Executive Team Assistant	

1 Apologies

The Chair welcomed members to the meeting. There were no apologies for absence.

The Secretary to the Board confirmed the meeting was quorate with enough members present to allow decisions to be made.

2 Declaration of Interest

Members agreed to indicate declarations of interest as appropriate throughout the meeting.

3 Minute of Previous Meeting

The Minute of the Audit Committee meeting held on 24 November 2015 was approved.

4 Matters Arising

There were no matters arising.

5 Internal Audit Reports

5.1 Value for Money – APUC's Procurement Capability Assessment

Mr Church spoke to the report which had been issued. The purpose of the report was to provide the College with feedback on its current system and processes for procurement to ensure the College is ready for any future Procurement Capability Assessments (PCAs), as well as confirming that appropriate procurement systems and procedures are in place to ensure Value for Money is achieved. Overall the review showed that system and controls in place were adequate. RSM identified six 'low' and three 'medium' actions. The 'medium' actions relate to:

- No annual reporting to the board detailing compliance with the Procurement Strategy during the year;

- A review of approved suppliers had not been undertaken to ensure value for money was still being achieved; and
- An analysis of spend had not been provided to management identifying any large areas of spend.

One of the 'low' priority actions in relation to governance found the Scheme of Delegation not sufficiently detailed and doesn't outline the authority delegated by the Board. The College has agreed to update the Scheme by July 2016.

Taking account of the issues identified the Board can take **reasonable assurance** that the controls upon which the College relies to manage this area are suitably designed, consistently applied. Members discussed the report and noted the key findings.

Action: Update current Scheme of Delegation by July 2016 and bring to committee for review.

5.2 Strategic and Financial Planning

Mr Church spoke to the report which had been issued. As part of the approved Internal Audit Plan for 2015/16, RSM reviewed the College's strategic and financial planning arrangements. RSM concluded that the College has a strong control framework in place to deal with strategic and financial planning and are pleased to report that only one 'low' priority matter has been identified during our review, in relation to the level of detail recorded in Board meeting minutes surrounding the Board's involvement with the setting of the Strategic Plan.

Taking account of the issues identified, the Board can take **substantial assurance** that the controls upon which the College relies to manage the identified risk(s) are suitably designed, consistently applied and operating effectively. Members discussed the report and noted the key findings.

Action: Ensure detailed minutes are taken during Board strategic planning events

5.3 Budgetary Control

Mr Church spoke to the report which had been issued. An audit of Budgetary Control was undertaken as part of the audit plan for 2015/16. The College is required to have a robust control framework in place for budget setting and monitoring to ensure compliance with Scottish Funding Council requirements.

During the 2014/15 year the College undertook a year end change between its budget year for Scottish Funding Council (SFC) monitoring purposes and financial/ academic year end. This resulted in a March budget reporting year for SFC purposes and a July financial and academic year end. To accommodate this change the College undertook a 16 month budgeting year. Due to the change in budget reporting and financial/ academic year ends the College operates a four / eight month split to align the 12 month annual budgets to the two different year ends. The audit work confirmed that there are adequate controls in place around the budgetary controls at the College. RSM identified one area for improvement around the general documenting and audit trail available to

support the budgetary controls in place. This has resulted in one “low” management action being raised.

Taking account of the issues identified, the Board can take **substantial assurance** that the controls upon which the organisation relies to manage this area are suitably designed, consistently applied and operating effectively. Members discussed the report and noted the key findings.

5.4 Progress Report

Mr Church spoke to the report which had been issued. The purpose of the report was to provide an update on progress against the Internal Audit Plan for 2015/16 approved by the Audit Committee in May 2015. The Plan included a total of eight planned reviews. Summary of the results of the work to date:

Assignment area	Status
Strategic and Financial Planning	Being presented at this Audit Committee
Budgetary Control	Being presented at this Audit Committee
Value for Money – APUC’s Procurement	Being presented at this Audit Committee
Capacity Assessment	
Human Resources Effectiveness	Fieldwork complete. Will be presented to next Audit Committee
Value for Money – Procurement	Fieldwork complete. Will be presented to next Audit Committee
Action Tracking	Fieldwork planned week commencing 11th April
Student Support Funds	Field work planned for summer 2016
Student Activity Data (Credits)	Field work planned for summer 2016

Members discussed the report and noted the progress made to date.

6 Strategic Risk Register

The Vice Principal, Corporate Services and Governance, spoke to the report which had been issued. She advised that the register has been adapted to show the Residual risk in order of highest to lowest. In terms of the College’s Risk Management Policy only risks with a rating of 12 or above need to be included in the Risk Register, but for completeness all risks have been included.

She advised the Committee there were two changes since the last board meeting. Risk no 4 ‘Unable to achieve credit (activity) target has increased from a rating of 8 to 12 and risk no 5 ‘The review of property and provision in Dumfries by the University of the West of Scotland’ is an addition to the register.

The Principal advised the Committee that she will provide a full update on the latest discussions with University of the West of Scotland at the Board meeting this afternoon.

Members discussed the report and noted the key changes.

7 Any other Business

7.1 College's Risk Management Policy

The Vice Principal, Corporate Services and Governance, advised the Committee that the College's Risk Management Policy was due to be reviewed and plans to bring the Policy to the next Audit Committee meeting for members to consider.

7.2 Account Year-End

The Principal reported on recent discussions to move the account year back to a March year-end. Members to note that this is a just an informal discussion at this stage, and would be updated accordingly.

8 Date and Time of Next Meeting

The next meeting of the committee planned to take place on Tuesday 10th May 2016 at 2 pm.