

## Board of Management

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### Minute of the Meeting of the Audit Committee of the Board of Management of Dumfries and Galloway College held on 22 September 2015 at 2.00 pm in Room 2009

**Present:** Hugh Carr (Chair)  
Delia Holland  
Janice Goldie

**In attendance:** Carol Turnbull, Principal  
Jannette Brown, Secretary to Board and Vice Principal (Corporate Services & Governance)  
Karen Hunter, Finance Manager  
Lindsay-Anne Straughton, Baker Tilly  
Angela Pieri, Grant Thornton

**Minute taker:** Caroline Donoghue, Executive Team Assistant

#### 1 Apologies

Apologies were intimated on behalf of Stuart Martin and Pat Kirby

The Secretary to the Board confirmed the meeting was quorate with enough members present to allow official 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 held on 12 May 2015 was approved.

#### 4 Matters Arising

There were no matters arising

#### 5 Internal Audit Reports

Lindsay-Anne Straughton on behalf of Baker Tilly spoke to the Internal Audit Reports which had been circulated:

##### 5.1 Payroll Audit

Ms Straughton spoke to the report which had been issued. The audit of payroll procedure in place at the College was undertaken as part of the approved internal audit plan for 2014-15. The audit looked at policies and procedures regarding the payroll system; staff training; making additions to the payroll system and any other amendments to the system. There was only one recommendation for action arising from this report: a regular check on information between the payroll and the HR system. The Chair confirmed that this was carried out in April of this year and the Vice Principal, Corporate Services and Governance confirmed that the reconciliation points for the College will be September and February.

##### 5.2 Internal Audit Strategy 2015/16 – 2016/17

Ms Straughton spoke to the report which had been issued. The draft strategy was presented to the Committee at the last meeting in May and there were no amendments to the report made other than date changes to some of

the reviews. The Vice Principal, Corporate Services and Governance advised that the audit plan will need to be aligned with the College's new Strategic Plan.

### **5.3 Internal Audit Progress Report**

Ms Straughton spoke to the report which had been issued. The first report of 2015-16 gave an overview of the audits which have been agreed for the year. Ms Straughton advised of a change to the name and branding in Baker Tilly, there is no change in company or personnel.

The Committee considered and noted the contents of the internal audit reports.

### **6 Internal Audit Report 2014-15**

Ms Straughton spoke to the report which had been issued. This report covers a longer period than normal to realign with the change in the financial year end; covering the period 01 April 2014 to 31 July 2015. The Head of Internal Audit Opinion stated that for areas covering Governance; Risk Management; Internal Control and Value for Money, the college has been rated as 'Adequate and Effective'. This is the highest rating available.

The committee was pleased to receive such a positive report and conveyed its congratulations to the Principal and her staff for their work.

### **7 Draft Annual Audit Committee Report (for the period April 15 to July 15)**

The Vice Principal, Corporate Services and Governance spoke to the report which had been issued. This report is a summary of the activity throughout 2014-15. When reporting to the Board of Management at the next Board meeting on 06 October 2015, a statement will be issued to say that in the Audit Committee's opinion they can have assurance in the level of controls in the College.

The Committee considered and approved the report. The report will now go forward to the full board.

### **8 Strategic Risk Register**

The Vice Principal, Corporate Services and Governance spoke to the report which had been issued. Following the implementation of the College's new Strategic Plan all risks have been reviewed to align with the plan. In accordance with the College's Risk Management Policy any risks which have impacts on strategic outcomes must have mitigating controls in place. Any risks with an inherent rating of 12 or above must have mitigating controls in place and where the residual rating remains above 12 should be reviewed at least quarterly in order to identify if any further actions could be taken to reduce the residual rating to below 12. There were only two residual risks rating higher than 12, national pay bargaining and public sector funding cuts. The College is planning to undertake scenario planning in relation to potential public sector funding cuts.

The Committee considered and approved the risks on the register. The Register will now be recommended to the Board.

### **9 Anti Fraud and Corruption Policy**

The Vice Principal, Corporate Services and Governance spoke to the reviewed policy which had been issued. It was noted that the policy cover staff and students only, Board Members are covered by the Board's Code of Conduct. Members discussed the contents of the policy and agreed it should also include offences covered by the Bribery Act 2010.

The Committee approved the policy, recommending it to the Board for adoption.

## **10 Whistleblowing Policy**

The Vice Principal, Corporate Services and Governance spoke to the reviewed Policy which had been issued. Members discussed the contents of the policy and agreed it should specifically mention the process for students should follow.

The Committee approved the policy, recommending it to the Board for adoption.

## **11 Challenge to Lennartz ruling**

The Vice Principal, Corporate Services and Governance spoke to the report which had been issued. The report updated members on recent developments which may impact on the College's Lennartz agreement with HMRC.

The Committee discussed the contents and noted the report.

## **12 Any Other Business**

None

## **13 Date and Time of Next meeting**

The next meeting of the Committee would take place on Tuesday 24 November 2015 at 2pm in room 2009

## **14 Good Governance**

The Chair asked members of the Executive Team and the Finance Manager to withdraw from the meeting in order for the Committee to meet privately with internal and external auditors in accordance with the Code of Good Governance for Scotland's Colleges.

There was a brief discussion between Committee members and the internal and external auditors; no issues requiring any action were identified.

The outcome of this meeting will be included in the Annual Audit Committee Report for 2014-15.