Board of Management
Audit Committee

Minute of the Meeting of the Audit Committee, Dumfries & Galloway College, held on Wednesday, 06 October 2020 at 14:00, Remote via Microsoft Teams

Present: Naomi Johnson (Chair)   Ros Francis
John Henderson   Pat Kirby
Robbie Thomas

In attendance: Joanna Campbell (Principal)   Hollie Adams, RSMUK (Internal Audit)
Hugh Carr, Interim Chair of the Board of   Karen Hunter, Head of Finance
Management   Alex Elkins, Executive Assistant (Minute
Steve Uphill – Interim vice Principal Finance   Taker)
and Commercial Services
Philip Church, RSMUK (Internal Audit)

1   Welcome and Apologies for Absence
The Chair welcomed all attendees to the meeting in particular Steve Uphill Interim Vice Principal Finance and Commercial Services and Lorraine Grierson Secretary to the Board.

No apologies had been received. J Campbell attended from 14:32hrs.

The Chair confirmed that the meeting was quorate.

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

3   Minute of the Board Meeting of 05 August 2020
The minute of the meeting held on 5 August 2020 was approved with the following changes: -

Item 1 - Delia Holland to be removed as an attendee - Attendees to be checked.
Change wording - Apologies received from R Francis.
Item 7.1 - *External Audit - Scottish Government Extension of External Audit*
Date Change - appointment being extended 2021/21 change to 2020/21.

ACTION: - The Secretary to the Board will check attendees. Executive assistant will amend the minute.

4   Matters Arising/Actions Log (actions not included on the agenda)

item 4 **-** *The Governance Audit* - All items had been included in the minute.

Item 6.2 – *Financial Controls* - K Hunter confirmed that the updated procedures had been distributed to CMT.

Item 6.4 – *RSMUK would develop a College risk-based plan for presentation to the Audit Committee.*

This item would be covered in the agenda.

Item 9 - *Penny Davies to liaise with the newly appointed Board Secretary, to develop a best practice evaluation process.* The item was being developed with Lorraine Grierson.

5   Internal Audit

5.1   Internal Audit Plan Session 2020-21
P Church reported that he had met the Principal and the Chair on 19 August 2020 where the audit priorities had been discussed and the key areas of Financial Performance and Financial Sustainability agreed. The following items were reported: -

- The college would receive further credit guidance from the Scottish Funding Council and currently a £250K short fall in revenue had been predicted.
- Additional funding had been received to support digital provision.
- The Principal had highlighted Cyber security as a concern following recent attacks on other institutions.
- The report recommended the review of cyber security due to remote working.
- The development of commercial activity through external development had been recommended with increased income targets supported by the introduction of a director.
- Audits would continue remotely with on-site activity recommencing subject to guidance around COVID-19 restrictions.
- The risk register would remain the focus of the Audit strategy.
- 7 areas had been identified for review of which two were related to the risk register.

Cyber Security was discussed and P Church informed the committee that the last review had taken place in 2016/17 and following COVID-19 there had been a number of enhanced risks. The Principal had welcomed further external validation of cyber security following recent breaches.

P Kirby agreed that there had been increased risks due to COVID-19 and agreed with the proposal. S Uphill commented that increased risks would pose a financial risk to the College and welcomed the review with focus on resilience and COVID-19 related risks. R Thomas commented that assurances had been given and welcomed the review.

The Chair thanked committee members for their comments and highlighted the need to focus the cyber security review on risks relating to COVID-19 and resilience.

A discussion took place around the Audit plan risk 2.2 *Failure to achieve institutional sustainability* in particular the proposed timing of the audit. It was suggested that the timing of the review was not appropriate, and several members agreed. P Kirby commented that commercial income was significant and a close monitoring of the position was required.

The committee agreed that the sequence of the audit plan was appropriate, and it was suggested that the timing of the External Development review would be discussed at the next Audit Committee meeting whereby the Director would be in post.

A further point was raised regarding methods of payments during remote working and related risks. K Hunter reassured the committee that there had been a limited number of fees paid during and the period of remote working and the college's software provided a method of making secure on-line payments. K Hunter agreed to report back to the committee on payments received.

Decision: - The committee agreed to discuss the review of External Development at the next meeting. The committee approved the audit plan for session 2020/21.

5.2   Progress Report
P Church introduced the report for the period 2019/20 and 2020/21 which had been approved by the Head of finance and the Principal. The delivery of the 2019/20 internal audit would be completed week ending 9 October 2020 and had been delayed due to the COVID-19 pandemic. The Credit Guidance / Curriculum Planning (2019/20) report had been finalised. A further two partial assurances had been issued in relation to Petty Cash and the Credit Guidance Review. Staff development and Governance audits had been developed but delayed due to COVID-19, however all targets had been met in 2019/20.

A discussion took place around some of the delayed reports. The Chair commented that a delay had occurred due to a request for further scope in relation to the Governance report. P Church informed the committee that the core assurances had been completed however the completion of 3 reviews had been delayed due to COVID-19. The Chair also reminded the committee of the need to re-schedule the Audit committee in May due to COVID-19. P Church confirmed that it was usual practice to provide an annual follow up report to the committee at the end of the year. The Chair would also require assurances from the Principal and head of finance of progress on actions prior to the annual report. The Principal informed the committee that a new monitoring system had been introduced with time bound actions allocated to staff. The system had been implemented to monitor the progress of actions and tighter controls had been put in place.

The committee welcomed the monitoring system.

A further suggestion was put forward to the development of Key Performance indicators in relation to the audit work. P Church confirmed that the current KPIs were not contractual. The committee agreed that target dates would be scrutinised by the Board of Management however it was appropriate to discuss the KPIs at the next Board Development Day.

Decision: - The KPIs would be discussed at the Board Development Day agenda on 12 November.
ACTION: - The Board secretary to add KPIs to the Board Development Day agenda.

5.3   Student Support Funds
P Church confirmed that the report related to session 2020-21, the funding review had been delayed due to guidance issued by the SFC. The report informed the committee of the use of the Student Support Fund and concluded one medium priority action which was detailed in the report.

A comment was raised in relation to the small study group of 5 students. P Church confirmed the sample was standard. The final report will be presented at the November meeting.

5.4   Student Activity Data
H Adams reported that the audit had been completed in September and carried out remotely. The focus of the report had been around the appropriate systems and controls in place to support the College's FES return.

As a result of the review, two high and one medium priority management actions were raised due to the following: -

  ➢ For a sample of 10 infill students looked the College could not locate enrolment forms and with two cases the form was incomplete. A control weakness was identified.
  ➢ A paper-based system was used to enrol infill students. …

The key findings of the review were discussed, and the Principal informed the committee that Open Learning had negotiating a period of change and the issues highlighted in the report had been addressed and an improved integrated enrolment system was in development.

The Chair welcomed the comments.

5.5   Curriculum Planning
H Adams reported that the field work had been completed in January 2020 and the review recognised that the College had gone through significant changes with the appointment of a new Vice Principal, Learning Skills and Student Experience, in February 2020.

As a result of the review, 3 high, 7 medium and 3 low priority management actions were raised. The three high recommendations were a result of the following: -

  ➢ The Curriculum Development Plan was delayed at the time of the audit.
  ➢ The quality of data in the plan showed weaknesses.
  ➢ Financial involvement had been lacking in the process.

Further detailed findings were contained in the report.

The Principal commented that the audit reflected a transition and development period, a new portfolio review process had been developed and would address many of the issues from the report. A new digital system to monitor credits would also be developed.

The committee asked if the internal audit had been helpful to the ELT team. The Principal commented that the report was helpful with benchmarking and disheartening to some staff who would develop improvements. The scrutiny by a third party had been welcome.

The Chair asked how predictions of student numbers are created?
The Principal commented that predictions had not been easily available to management due to the complexity of current systems. S Uphill also commented that predictions had been challenging, the Vice Principal Learning Skills and Student Experience and Head of Finance would progress a systematic approach including all financial contributions and integrated planning had begun. S Uphill also

informed the committee that tagging would be used within the timetabling system to identify the delivery method such as the Hub and Spoke model.

The Academic Council was raised, and the Principal informed the committee that D Dickson had refreshed the Academic Council and the portfolio planning had been included in the meeting held in August. It was suggested that Learning and Teaching committee include the portfolio review on the L&T agenda.

The Chair welcomed the additional information.

6   **Items for noting**

6.1   <u>SFC Accounts Direction 2019-20</u>
Karen Hunter highlighted the accounts direction from the Scottish Funding Council, and it was noted that the accounts showed additional commentary around the impact of COVID-19 and changes to Governance within the accounts.
This committee noted the report.

6.2   <u>Audit Scotland Report- Covid-19 Guide for Audit and risk committees</u>
This committee noted the report.

6.3   <u>Audit Action Tracker</u>
An Audit Action Tracker was now in place to monitor outstanding actions and this would be tabled monthly at the Senior Leadership Team Meetings for review. An update was provided for all outstanding actions. It was confirmed that all new recommendations from the audit report would be added to the next tracker update.

S Uphill informed the committee that COVID-19 had delayed collaborate working with the University of the West of Scotland.

The Chair welcomed the action tracker and asked how the College would monitor the implementation of new systems with staff. S Uphill reassured the committee that the Finance team would monitor processes closely and the systemisation of processes would improve efficiencies.

The Principal informed the committee that increased scrutiny of processes would be applied with a focus on business systems that support the college. Monitoring individual performance had begun with the introduction of individual objectives in line with both operational and strategic planning for all staff.

The committee thanked S Uphill and the Principal for the information.

6.4   **External Audit**
<u>Change of name</u>

The committee noted the change.

7   **Strategic Risk Register**

The committee discussed the Risk register which had been distributed. The Principal informed the committee that the risk register would be discussed with the Board Secretary and recommendations for changes to the register would be brought to the next Board of Management meeting. The Principal suggested that the separate COVID-19 risk register be included as an appendix to inform the committee of risks relating to the pandemic.

S Uphill highlighted the importance of including annual risks and maintaining the strategic risk register at an operational level.

The committee supported the development of the register.

Decision: - The committee agreed to the addition of the COVID-19 Risk Register appendix. The risk register would be discussed at the next Board meeting.

11   **Any Other Business**

No further items were raised.

12   **Date and Time of Next Meeting**

The next meeting of the Audit Committee was scheduled for Tuesday, 24 November at 14.00.