

AUDIT COMMITTEE MEETING

Status: Approved

MINUTE OF MEETING HELD ON 09 FEBRUARY 2021 AT 14:00HRS
REMOTELY VIA MS TEAMS (AUD09.02.2021)

| Present | |
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| Naomi Johnson | Ros Francis |
| | John Henderson |
| In Attendance | |
| Scott Proctor | Ron Hill |
| Lorraine Grierson | Philip Church |
| Steve Uphill | Janet Brennan |
| Karen Hunter | Hugh Carr |
| Joanna Campbell | Alex Elkins (Note Taker) |
| Apologies for absence | |
| Robbie Thomas | |

| Item 1 | Welcome and Apologies | | |
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| Paper No: NA | Lead: N. Johnson | Action Requested | None |
| Discussion | <p>The Chair welcomed everyone to the meeting and apologies for absence had been received from Robbie Thomas.</p> <p>It was noted that following the recruitment drive, 6 Board members had been invited to join the Board of Management, five of which would be invited to attend the Board of Management Meeting on 23 March 2021 with a further member joining later in the year. It was noted that as we welcome new non-execs to the board, we would look to increase membership of the Audit Committee.</p> <p>The Board Secretary confirmed that the meeting was quorate.</p> | | |
| Decision/Action | None required. | | |

| Item 2 | Declaration of Interest | | |
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| Paper No: NA | Lead: N. Johnson | Action Requested | To note |
| Discussion | Members agreed to indicate declarations of interest as appropriate throughout the meeting. | | |
| Decision/Action | None noted. | | |

| Item 3 | Minute of the last meeting held on 08 December 2020 | | |
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| Paper No: AUD09.02-A | Lead: N. Johnson | Action Requested | Approval |
| Discussion | It was noted that the Minute of the Audit Committee meeting held on | | |

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| 8 December 2020 (Item 3 - AUD09.02-A) had been presented to the Board of Management meeting in draft format. During the Board meeting a number of comments relating to the Minute had been highlighted but it was noted that subsequent changes can only be made by the Committee. ... | 8 December 2020 (Item 3 - AUD09.02-A) had been presented to the Board of Management meeting in draft format. During the Board meeting a number of comments relating to the Minute had been highlighted but it was noted that subsequent changes can only be made by the Committee. ... |
| Following receipt of the email to all attendees, discussion regarding the accuracy of the Minute took place with varying opinions being expressed by some attendees. | Following receipt of the email to all attendees, discussion regarding the accuracy of the Minute took place with varying opinions being expressed by some attendees. |
| The following actions in relation to the Minute (AUD09.02-A) were agreed: - | The following actions in relation to the Minute (AUD09.02-A) were agreed: - |
| <ul style="list-style-type: none"> Item 12 – Amend the page number to show page 26, not page 21. | <ul style="list-style-type: none"> Item 12 – Amend the page number to show page 26, not page 21. |
| ... | ... |
| Decision/Action | Decision: - Members approved the Minute (AUD09.02-A) ... |

| Item 3.1 | Action Log | | |
|-------------------------|--|------------------|------------|
| Paper No: AUD09.02-B | Lead: N. Johnson | Action Requested | For noting |
| Discussion | The Committee were asked to note the content of the Action Log provided. | | |
| Decision/Action | The Committee noted the content of the Action Log. | | |

| Item 4 | Matter Arising not on the Agenda | | |
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| Paper No: Verbal | Lead: N. Johnson | Action Requested | For noting |
| Discussion | No matters were discussed. | | |
| Decision/Action | None required. | | |

| Item 5 | Audit Committee Annual Report | | |
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| Paper No: AUD09.02-C | Lead: N. Johnson | Action Requested | For Approval |
| Discussion | <p>The Chair spoke to the draft report, advising members of the activities and decisions of the Committee during the financial period 2019-20. The Committee were informed that the content of the report had included activity post 31 July 2020. This had been a direct result of the delay in holding the Audit Committee meeting later in 2020 due to the impact of COVID-19.</p> <p>It was noted that Naomi Johnson had taken the post of Chair partway through the reporting period and due to the impact of COVID the timeline of the writing of the report had been delayed. A discussion on the content of the report in relation to the activity reported after the 31 July 2020 took place and the Committee were reassured by the Chair that due to the exceptional nature of the year, due to the pandemic, it was unlikely that a similar set of circumstances would be repeated. Hugh Carr, now Interim Regional Chair, was Audit Committee Chair for the period of this annual report and he confirmed the content of the draft report.</p> | | |

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| | A discussion took place around the timeline of the amendments and subsequent approval of the External Auditors report and it was noted that the supplementary Minute had provided an appropriate record of all related actions. The Chair welcomed the additional supplementary Minute which had provided a record of the Committee’s decision making. A suggestion to include additional narrative to further clarify the timeline relating to the reported activity of the Audit Committee, was both discussed and agreed. In addition, it was agreed that dates be included showing when members had joined the Audit committee. |
| Decision/Action | <p>ACTION: – The Secretary to the Board would provide the Chair with details of the dates of individual’s membership to the Audit Committee.</p> <p>ACTION: -The Chair would provide a revised draft of the Audit Committee Annual Report for approval.</p> |

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| Item 6.1 | Internal Audit Progress Update | | |
| Paper No: AUD09.02-J | Lead: P. Church (RSM) | Action Requested | For noting |
| Discussion | Philip Church spoke to the Progress Report. It was noted the Audit plan had included 7 reviews, 57% had been completed, whereby 3 audits had yet to be completed. It was anticipated that these reports would be completed before the year end in accordance with the timescales agreed. The Business Continuity Recovery Plan Audit Report and Cyber Security Audit Report had both been concluded. | | |
| Decision/Action | The Committee noted the report. | | |

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| Item 6.2 | Internal Audit Report – Business Continuity | | |
| Paper No: AUD09.02-D | Lead: P. Church (RSM) | Action Requested | For noting |
| Discussion | <p>Philip Church spoke to the report in relation to Risk 3.3, a substantial reassurance opinion had been reported, with one low priority action recommended. Background information relating to the COVID pandemic had also been included in the report.</p> <p>The Committee welcomed the substantial assurance provided and highlighted the volume of work undertaken. The Committee commended the Principal and Senior Leadership Team for the handling of the response to the pandemic. The Chair thanked the Senior Leadership Team for the work undertaken.</p> | | |
| Decision/Action | The Committee noted the report. | | |

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| Item 6.3 | Internal Audit Report – Cyber Security | | |
| Paper No: AUD09.02-E | Lead: P. Church (RSM) | Action Requested | For noting |
| Discussion | <p>Philip Church spoke to the report and informed the committee that a reasonable assurance had been provided regarding Cyber Security. 3 medium and 2 low priority actions had been recommended.</p> <p>The Chair raised a query regarding the likely impact of additional workload for the IT Team due to the pandemic in relation to the MDN system. Steve Uphill assured the Committee that weaknesses in the process of recording assets through the MDN</p> | | |

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| | <p>system had been identified and were being improved. It was confirmed that the Ipads issued to Board members would be included in the MDN system.</p> <p>It was noted that the IT team had dealt with both IT poverty and mobilising a large volume of ICT resources for students during the pandemic. The findings of the Audit report in relation to Cyber Security were considered relatively low risk. Philip Church further commented that the assurance provided had been positive overall.</p> <p>JH commented that the Audit Committee accepted the report and welcomed the actions being taken towards the recommendations.</p> |
| Decision/Action | The Committee noted the report. |

| Item 6.4 | Internal Audit Action Tracker | | |
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| Paper No: AUD09.02-F | Lead: S. Uphill | Action Requested | For noting |
| Discussion | <p>Philip Church updated members on the schedule to provide follow up reports in relation to those reports which had been provided with partial assurances. It was confirmed that all follow up reports would be reviewed by the Audit Committee in September 2021.</p> <p>The timing of the delivery of reports in relation to Income Generation, Petty Cash, Staff Development and Curriculum Planning was discussed and it was agreed that the schedule would be amended to show that the Income Generation report would be provided later in the year and follow up reports for Petty Cash and Curriculum Planning would be circulated to members prior to the next Audit committee meeting.</p> | | |
| Decision/Action | <p>The Committee noted the report.</p> <p>ACTION: - The Secretary to the Board would liaise with the Chair to amend the reporting schedule outline agenda as discussed.</p> | | |

| Item 6.4 | Internal Audit Action Tracker | | |
|-------------------------|---|------------------|------------|
| Paper No: AUD09.02-G | Lead: S. Uphill | Action Requested | For noting |
| Discussion | <p>Steve Uphill highlighted the changes made to the Action Tracker which included colour coding. The Committee were informed that the management of the tracker was being transferred from Karen Hunter, Head of Finance, to the Secretary of the Board.</p> <p>The Chair requested that Points 7 and 8, the date of the Board Development Committee and Board Development Day be amended as they took place on the same day. The Committee noted the report.</p> | | |
| Decision/Action | <p>ACTION: - The Secretary to the Board would amend the Action Tracker.</p> | | |

Janet Brennan joined the meeting at 15:00hrs

| Item 7 | Staff Development Update |
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| Paper No: AUD09.02-G | Lead: S. Dougall | Action Requested | For noting |
|-------------------------|---|------------------|------------|
| Discussion | <p>Shona Dougall, Interim Head of Human Resources and Organisational Development spoke to the report outlining progress towards all the management actions which had been advised in the Audit report.</p> <p>The following items were noted: -</p> <ul style="list-style-type: none">• Mandatory training for all managers had been identified and would be monitored and tracked moving forward.• A framework and schedule for 'refresher training' for all staff had been developed.• Safeguarding and GDPR training would be delivered online.• Staff member Liz Budde would deliver training workshops for all staff.• GDPR training for all staff had encountered a technical issue which was being resolved.• Improved succession planning was anticipated.• A single source area would be created on AdminNet for all training related provision.• Development of the digital system would provide increased reporting on training activity to the committee.• Training in relation to the DPO update would be implemented. <p>The Committee welcomed the developments and improvements in monitoring and tracking and noted the improved reporting which would be provided following implementation of a digital process.</p> <p>One Committee member raised a concern on the volume of training required, additional costs and additional burden for teaching staff. Members were advised that managers would be required to undertake one half day of compulsory training. Training videos and workshops would be available for staff thus providing clarity for staff on their function within the College.</p> <p>Steve Uphill thanked Shona Dougall for the work undertaken to address the findings of the audit report and further emphasised that a sustainable and structured process was imperative.</p> <p>Janet Brennan, Chair of the Human Resources Committee, commented on the positive progress that had been reported and commended the HR team on the rigour of the actions that had been implemented, Janet also welcomed a move to a fully digitised system with increased monitoring and tracking.</p> <p>Shona Dougall thanked Allison White (Learning and Development Officer) for the work undertaken.</p> <p>The Principal thanked Shona Dougall, Steve Uphill and the Human Resources Team for the work undertaken and highlighted the cultural changes needed for the College to ensure improved productivity and accountability. The Committee were reminded that a balance must be found between training requirements and avoiding overburdening staff.</p> | | |

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| Decision/Action | The Committee noted the report. ACTION: - The Secretary to the Board is to provide a copy of the Staff Development Update report to Janet Brennan. ACTION: - The Secretary to the Board and Shona Dougall are to ensure that Board members are included in mandatory training as appropriate. |
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| Item 8 | Strategic Risk Register | | |
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| Paper No: AUD09.02-H | Lead: L. Grierson | Action Requested | For Discussion |
| Discussion | The Secretary to the Board spoke to the Strategic Risk Register, reporting on the risk pertinent to the Audit Committee. There had been no change to the Audit Risk Register. | | |
| Decision/Action | None required | | |

| Item 9 | Data Protection update | | |
|-------------------------|--|------------------|----------------|
| Paper No: AUD09.02-I | Lead: L. Powell | Action Requested | For Discussion |
| Discussion | <p>Lisa Powell provided an update on the GDPR action plan which had been provided, reporting that progress towards the actions had been slower than anticipated due to personnel changes, reduced resources, and changes in the structure of the College. The Committee was informed that staff were potentially the greatest threat to the Colleges' GDPR responsibilities, and this was increased if training was insufficient or delayed. Shifts in the use of technology due to the pandemic and data flow changes had increased the data protection implications while staff continued to work from home. Addressing these issues would remain a focus for the College.</p> <p>The Accountability Framework was outlined, and the Committee was advised of the active progress to mitigate risk. Lisa Powell commented that the College had lacked a level of personal accountability relating to GPDR and the College had met 50% of the expectations therein.</p> <p>Three priority areas for action had been identified with timelines provided, all of which were subject to available resources, they were: -</p> <ul style="list-style-type: none">• Staff awareness and training relating to GDPR.• Information Rights whereby appropriate resources would be provided to process requests from individuals in relation to personal data.• DPIAs and Risks and the appropriate implementation of the DPIA. <p>The Principal advised that it would be necessary to strike a balance of fulfilling both compliance and a wide range of legal requirements across the College. Steve Uphill would lead the implementation and cultural changes needed to embed new processes within the organisation and the Committee were asked to recognise the resources required to do this.</p> <p>The Committee welcomed the report and thanked Lisa Powell for attending the meeting.</p> | | |

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| Decision/Action | The Committee acknowledged that there was more to be done to meet data protection requirements and noted the continuation of working towards the action plan. ACTION: - Lisa Powell would provide an update on the progress towards the completion of mandatory training to the Audit Committee at a later date. |
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| Item 10 | Any Other Business | | |
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| Paper No: Verbal | Lead: N. Johnson | Action Requested | For Noting |
| Discussion | ... | | |
| Decision/Action | None required. | | |

The next Audit Committee Meeting is scheduled for 18 May 2021 at 14:00hrs.