



AUDIT COMMITTEE 05.05.22

MINUTE OF MEETING HELD ON 5 MAY 2022 AT 16:00 REMOTELY VIA MS TEAMS

Present	
Hugh Carr (Chair)	
William Dowson	Ian White
In Attendance	
Joanna Campbell	Dorothy McMinn (Secretariat)
Douglas Dickson	Scott Proctor
David Eardley (Azets)	Caroline Stuart
Mike Gibson (RSMUK)	
Apologies	
Ann Hill	Lorraine Grierson
Sue Irving	Philip Church (RSMUK)

Item 1	Welcome and Apologies for Absence		
Paper No: Verbal	Lead: H. Carr	Action Requested	Note
Discussion	The Chair welcomed everyone to the meeting, and confirmed that apologies for absence had been received from AH, SI, LG and PC. The Chair confirmed that the meeting was quorate.		
Decision	N/A		
Action	N/A		

Item 2	Declaration of Interest		
Paper No: Verbal	Lead: H. Carr	Action Requested	Note
Discussion	No declarations of interests were received.		
Decision	N/A		
Action	N/A		

Item 3	Action Log		
Paper No: AUD05.22-A	Lead: H. Carr	Action Requested	Note
Discussion	In the absence of the Secretary to the Board, the Principal and VP Finance and Commercial Services spoke to the action log which had been tabled. It was reported that the majority of items were now closed. The Assurance Framework item would be re-presented in December 2022, to ensure a full and complete review could be carried out.		

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	It was confirmed that a Student Application Audit had completed, with an IT Audit being due in the next academic year.		
Decision	Assurance Framework would be re-presented at the December 2022 Board Meeting.		
Action	The Secretary to the Board would ensure Assurance Framework was added to the December Board Agenda.		
Item 4	Minute of the last meeting 10 February 2022		
Paper No: AUD05.22-B	Lead: H. Carr	Action Requested	Note
Discussion	The Minute of the Meeting held on 10 February 2022 was approved.		
Decision	Members approved the Minute of the meeting held on 10 February 2022.		
Action	N/A		
Item 5	Matters Arising		
Verbal	Lead: H. Carr	Action Requested	Note
Discussion	No matters arising.		
Decision	N/A		
Action	N/A		
Item 6	Internal Audit Progress Report		
Paper No: AUD05.22-C	Lead: M. Gibson	Action Requested	Discussion
Discussion	The Internal Audit Plan for 2021/22 was introduced by MG and it was confirmed that an internal audit progress report had been generated reporting a 67% completion rate, with 3 items still outstanding. It was noted that the financial planning exercise had been pushed back to 31 May 2022, to ensure rigour of process.		
Decision	The content of the Internal Audit Progress Report was duly noted.		
Action	N/A		
Item 6.1	Human Resources Report		
Paper No: AUD05.22-D	Lead: M. Gibson	Action Requested	Discussion
Discussion	It was reported that a review of Human Resources had been completed during April 2022 and a substantial assurance had been returned, with one medium and one low priority actions being identified.		
Decision	The content of the Human Resources Audit report was duly noted.		
Action	N/A		

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Item 7	Internal Audit Plan		
Paper No: AUD05.22-L	Lead: S. Proctor	Action Requested	Discussion
Discussion	<p>Suggested items for inclusion in the Internal Audit plan for 2022/23 had been put forward:</p> <ul style="list-style-type: none"> • Internal and External Communications • Health and Safety Policies (Compliance with HSE Regulation) • Disaster Recovery Plan • Student Representation • Board Induction • Corporate Governance • Business Continuity Planning • Staff Recruitment and Retention • Human Resources – review of processes and reporting • Cyber Security • Procurement <p>It was agreed that Disaster Recovery and Cyber Security be amalgamated. A Procurement Audit was to be postponed until the new VP had been appointed. As new Board members had recently been appointed and would participate in the current Board Induction process, it was agreed that feedback/suggestions would be invited to assist in enhancing the process. It was therefore agreed that any Board Induction Audit would take place on completion of the process.</p> <p>The Audit Plan would be further reviewed and refreshed and circulated to members and the VP Finance and Commercial Services confirmed that the agreed Plan should be in place for the start of the new academic year.</p> <p>The VP Learning, Skills and Student Experience agreed to contact the National Union of Students (NUS) to ascertain whether they would review previous work carried out at DGC.</p> <p>It was agreed that a Governance Audit would be beneficial, and this would take place following a sweep up of the CDN Effectiveness Review.</p>		
Decision	The content of the report was duly noted.		
Action	A further review of the Audit Plan would take place and a revised plan would be circulated to members for feedback. The VP Learning , Skills and Student Experience would contact NUS.		

Item 8	Internal Audit Tracker		
Paper No: AUD05.22-F	Lead: L. Grierson	Action Requested	Approval
Discussion	<p>In the absence of The Secretary to the Board, it was noted that:</p> <p>There were currently 11 actions from the following reports:</p> <ul style="list-style-type: none"> • Student Support Funds Report – 1 action – All actions to Report are now Complete • Code of Good Governance Report – 2 actions – 1 complete, 1 ongoing • Student Applications - 6 actions – 4 complete, 2 ongoing 		

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	<p>The VP Learning, Skills and Student Experience reported that the recent purchase of PURLOS, an AI system, had greatly improved the application process.</p> <p>The Principal confirmed that the setup of an Assurance Framework was ongoing.</p> <p>It was agreed that completed actions would be zeroed down for the new audit year.</p>
Decision	The content of the report was duly noted.
Action	N/A

Item 9	External Audit Plan		
Paper No: AUD05.22-G	Lead: D. Eardley	Action Requested	Approval
Discussion	<p>DE reported that due to portfolio changes within Audit Scotland, Azets would be appointed as DGC auditors for a further term.</p> <p>The External Audit Annual Plan for 2021/22 summarised Azets workplan for an external audit of DGC and this would commence in Autumn 2022. DE would liaise with management closer to that date. The report outlined key audit risks, with the first three being income, management override and expenditure recognition, which were considered standard items. Wider, Azets would focus on governance statement and financial sustainability. It was noted that the deadline for submission had been set at 31 December 2022 in line with deadlines set by the Scottish Funding Council.</p> <p>The question of how the impact of rising inflation would be factored into the audit was asked and DE confirmed that Azets would look at how the College was trying to work within its financial means, and whether projections included inflationary upgrades. Further, a review of options appraisals and potential alternative plans if assumptions acting as predicted would take place.</p>		
Decision	The content of the report was duly noted.		
Action	N/A		

Item 10	Strategic Risk Register		
Paper No: AUD05.22-G	Lead: L. Grierson	Action Requested	Approval
Discussion	<p>In the absence of The Secretary to the Board it was reported that there was one risk which was assigned to the Audit Committee (Financial Fraud) and that there had been change to this risk since the last Committee meeting.</p> <p>Following discussion, it was agreed that the Financial Fraud Risk appetite would be changed from "cautious" to "averse" and further narrative would be added to the mitigation. Once amended, the updated document would be presented to BOM for endorsement.</p>		
Decision	The content of the report was duly noted.		
Action	The Secretary to the Board would action the above and arrange for this risk to be put before BOM for endorsement.		

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Item 11	Risk Appetite Update		
Paper No: AUD05.22-I	Lead: J. Campbell	Action Requested	Approval
Discussion	<p>Discussion centred around the risk appetite within activities, and it was agreed that the Risk Appetite would be further reviewed and aligned with the DGC Risk Register. An extra column was to be added to the Risk Appetite table which would allow associated risks to be shown. Health and Safety would be added as a separate category of risk.</p> <p>Once the review had been completed it was agreed that the updated documentation would return to the Audit Committee for further review.</p> <p>JC will look to amend and will come back to Audit for sense check.</p>		
Decision	The content of the report was duly noted.		
Action	The Principal would further review the Risk Appetite document and re-present to the Audit Committee for sense checking.		

Item 12	Whistleblowing Policy		
Paper No: AUD05.22-J	Lead: D. Dickson	Action Requested	Approval
Discussion	<p>The revised policy was noted with amendments to the following:</p> <ul style="list-style-type: none">• Indicating the role of the Senior Independent Board Member.• Removing the incorrect reference at 5.1.• At 5.3 ensuring there is a decision process to accelerate a meeting of the Audit Committee. <p>The Committee was asked to provide approval of the revised policy.</p>		
Decision	The policy was duly approved.		
Action	N/A		

Item 13	Any Other Business		
Verbal	Lead: H. Carr	Action Requested	Note
Discussion	The Chair to the Board of Management thanked HC, SP, and IW for their service to DGC BOM and Committees.		
Decision	N/A		
Action	N/A		

The next Audit Committee Meeting would take place on 5 September at 16:00. CS, HC, JC will discuss possibility of a further Audit Committee prior to September.