

Glasgow Kelvin College**Board of Management****Audit and Risk Committee****Minute****Minute of the meeting held on Tuesday 05 September 2023 at 5pm Room WG1/WG2,
Springburn Campus****1. Sederunt**

Dermot Grenham, Chair (MS Teams);
Michael O'Donnell, Vice Chair;
John Hogg (MS Teams);
Dr Elaine Clafferty;
Natie Philips; and
Jennifer Lavery, Support Staff Member (MS Teams).

2. In attendance:

Derek Smeall, Principal and Chief Executive;
Linda Ellison, Secretary to the Board;
Jeanette Evans, Vice Principal Operations;
Lisa Clark, Director of Estates and Corporate Services;
Alan Carr, Head of Finance;
Stuart Inglis, Henderson Loggie
Stuart Nugent, Audit Scotland; and
Donald Higgins – Durnan, Corporate Support and Administration Manager (*for recording purposes*).

Apologies

Apologies were received from:
Michele Stevenson;
David Archibald, Henderson Loggie; and
Grace Symes, Audit Scotland.

3. Terms of Reference

Members noted the Terms of Reference. The meeting was quorate with six members in attendance.

4. Declarations of Interests and Connection**a) Interest****b) Connection**

No declarations of interest/connection were raised by members. The Chair reminded members that they could raise these at any point throughout the meeting.

5. Minute of the Previous Meeting held on 16 May 2023

Members noted two minor corrections to the minute as being required prior to approval:

- last paragraph on page 2 *“in response to a question from D Grenham, S McNaught informed members..”* this should read in response to a question from D Grenham, S Nugent informed members.
- Linda Ellison, Secretary to the Board to be included within the “in attendance” section.

Members approved the minute following the above changes being made.

6. a) Matters Arising from the Previous Meeting held on 16 May 2023

There were no matters arising from the previous meeting held on 16 May 2023.

b) Action List

i) Audit and Risk Committee Action Log as at September 2023

Members noted the two live items recorded on the Action Log, featured separately on the agenda (Items 9 and 13). J Evans, requested members consider removing the action referring to the land issue at Springburn Campus, as this matter was ongoing and the Committee would receive updates accordingly.

Members of the Audit and Risk Committee agreed to the removal of this action from the log.

Secretariat to remove the action referring to Springburn Campus – Land from the action log.

7. Audit Scotland External – External - Annual Audit Plan 2022-23

S Nugent spoke to the content of the External – Annual Audit Plan 2022/23 advising that the version provided was in draft and there was ample opportunity for any changes to be made. He informed members that this was the first Audit Plan from Audit Scotland in their capacity as the External Auditor for the College, and the plan provided was in a new format, however, members would be familiar with content as this was similar to versions produced by the previous Auditor. S Nugent added that once approved the Annual Audit Plan would become a published document.

S Nugent took members through the Annual Audit Plan in detail, highlighting the responsibilities of both the Auditor and the College, materiality levels for the College, risks identified of material misstatement to the financial statements such as fraud management caused by management override of control; clarifying this was a universal risk with tests carried out on manual journals, estimation in the valuation of land and buildings, and estimation in the valuation of pension asset/liability.

In relation to the Wider Scope and Best Value section of the Annual Audit Plan, S Nugent informed members that this section detailed the various areas identified in the Code of Audit Practice with the first two points, financial management and financial sustainability being key areas, given the funding reductions within the sector. S Nugent drew members attention to the timetable provided on page fourteen of the report, adding that ideally in future years the Audit Plan would feature at an earlier meeting of the Audit and Risk Committee.

S Nugent concluded his summary advising that the Audit Plan was late this year, however, underlying audit work had taken place with testing being undertaken on financial systems and payroll with no particular issues identified and progress being as expected.

The Chair thanked S Nugent for the summary and invited questions or comments from members.

A Carr, Head of Finance commented on the ongoing communication with the External Auditor and the good working relationships being established with S Nugent and his team.

Dr E Clafferty thanked S Nugent for his summary and sought further clarity in relation to fraud and management override of control. S Nugent provided confirmation that this was not a bespoke risk and changes could be made as required. He added that satisfactory controls were in place and he was happy with the College's approach. A Carr sought to provide further reassurance informing members that the College's approach was open and transparent with multiple levels of authorisation in place, regular finance review meetings with budget holders and ongoing discussions on finance matters. J Evans referred to the refreshed Assurance Framework (Agenda Item 09) and the three levels of assurance detailed therein, she further explained about the College's participation in the NFI Initiative which provides further assurance. The Chair opined, based on his experience on other Audit Committees, this risk featuring was fairly standard across other organisations.

The Vice Chair commented on the additional layer of assurance in relation to climate change and cyber security. J Evans agreed with this due to the considerable work undertaken in these areas.

N Philips raised a question in relation to the formal valuation period being every five years, as noted on page seven of the Audit Plan. S Nugent advised that this was common practice.

In response to a question raised by the Chair querying if there was liability featured in the accounts or contingency in relation to the land at Springburn Campus, J Evans confirmed that this had been ringfenced.

Members of the Audit and Risk Committee approved the Annual Audit Plan 2022/23.

8. Henderson Loggie

a) Glasgow Kelvin College - Annual Internal Audit Plan 2023-24

S Inglis spoke to the content of the draft Internal Audit Plan and welcomed feedback from the committee for inclusion in the final version. S Inglis advised that an audit needs assessment (ANA) would normally take place, however, given the two-year contract extension and following discussion with the Senior Management Team it was agreed an ANA would not take place at this time. S Inglis reported that the Internal Audit Plan took account of current risks as detailed in the College Risk Register and previous levels of assurance. He drew members' attention to the table on pages two and three of the report which listed the proposed audits for the year 2023-24.

M O'Donnell opined that he was content with the broad outline and asked if consideration was given to workforce planning and space utilisation. S Inglis confirmed this was considered previously. J Evans added that space utilisation would be included as part of curriculum planning.

N Philip commented positively that staff development featured in the Audit Plan and consideration was being given to succession planning, given the current climate. Discussion

followed in relation to staff development and members opined that discussion should not be limited to senior staff but include wider staff throughout the College. Both the Principal and Vice Principal Operations welcomed this and spoke of the positive feedback received with the changes made in this area in recent years.

Members of the Audit and Risk Committee approved the Annual Internal Audit Plan 2023-24.

b) Glasgow Kelvin College - Follow Up Reviews 2022-23

S Inglis spoke to the content of the report and informed members that annual follow up reviews were conducted on any recommendations from reports issued in the previous year alongside any outstanding recommendations from reports issued prior. He highlighted the audit reports detailed on page three of the document and noted that from the reports reviewed, not all had recommendations.

S Inglis continued to report that the College had a total of nineteen low level recommendations outstanding and had made excellent progress in implementing the recommendations made with eighteen of the recommendations being fully implemented and one partially implemented.

Members commented on the positive outcome of the report and the progress made.

9. Assurance Framework

The Vice Principal Operations spoke to the content of the report, which presented members with the refreshed Assurance Framework.

The Vice Principal reported that herself and D Archibald met to review the framework and identify improvements. J Evans informed members that following the meeting, she carried out further research and adapted the College Assurance Framework to ensure it was fit for purpose. J Evans detailed the levels of assurance and explained the framework had been enhanced with further narrative. J Evans continued to report that the framework was mapped to the strategic risk register and would be reviewed regularly by the Senior Management Team.

Concluding her report summary, J Evans informed members that the Assurance Framework was a live document that would develop and evolve and at the end of the academic year, the framework would be presented to the Audit and Risk Committee for further review and approval.

The Vice Chair raised a query in relation to Internal Audit timelines and the potential for items listed under the 3rd line of assurance no longer holding up to scrutiny. Discussion followed and the Vice Principal Operations clarified that the Internal Audit Plan covered a rolling five-year cycle, intended to include the entire Audit Universe at least once. As part of the annual review of the Assurance Framework and Map, and to ensure the position remains reasonably current, only Internal Audits taking place within 5 years will remain on the Assurance Map. Members discussed terminology used within the framework i.e. *issue over risk*. Members agreed to review and amend wording as necessary as the internal audit progressed.

- i) note the contents of the report and appendix;
- ii) approve the revised Assurance Framework and Appendix 1; and
- iii) note that moving forward the Assurance Map will be reviewed annually at the end of the Academic Year by the Audit and Risk Committee, Management and the Secretary to the

Board of Management and reported to the Board of Management via the minute of the meeting of the Audit and Risk Committee.

10. Audit Action Plan

The Director of Estates and Corporate Services spoke to the content of the report which provided members with the Audit Action Plan and the status of recommendations therein.

L Clark informed members that a copy of the Audit Action Plan was included as Appendix 1 and advised the completed recommendations (green) would be removed as per the Henderson Loggie report. L Clark further reported that, from the action plan, eleven low level recommendations were listed as outstanding, however, she informed members that the College considered four of these actions fully implemented and five as partially implemented. L Clark then drew members attention to Appendix 2 of the report which detailed the planned audits for 2023/24 and the appropriate Audit and Risk Committee meeting where the report(s) would feature throughout the year for members' information.

Members of the Audit and Risk Committee agreed to:

- i) note the contents of the report and its appendices; and
- ii) approve the Audit Action Plan.

11. Risk Management Update and College Risk Register

The Director of Estates and Corporate Services summarised the report, providing members with an update in relation to risk management.

The Director informed members that following review by the appropriate Risk Management Committee and Senior Management Team, no change in scoring had been identified but there had been some updates to the text which were denoted in red. She drew members' attention to the various factors affecting the College as a whole, detailed on page two of the report.

The Director continued to summarise the report advising members of the following:

- Springburn cladding matter and pursuing possible funding available via the Scottish Funding Council; updates will be provided accordingly;
- Appointing contractor for lighting issue in Springburn; this would be done timeously;
- Fire risk assessments update;
- Land at Springburn – matter ongoing, and members will be kept apprised of developments;
- Fire Legislation – SMT approved procedure in place;
- External lets successfully relocated to Springburn Campus where appropriate;
- Risk Management – key papers provided for interest and information; and
- Link to Team risk registers made available within the report for members perusal.

The Chair thanked the Director for the report summary and invited questions or comments from members.

Dr E Clafferty thanked L Clark for the level of detail in the report.

The Vice Chair sought clarity in relation to wording used for mitigating actions '*social media mechanism*' and recommended specific detail of what this mechanism was could be included. L Clark and J Evans agreed to liaise with L Breckenridge, Marketing and Commercial Manager and review the wording used.

J Evans and L Clark to liaise with the Marketing and Commercial Manager to review wording used in the Risk Register.

Members of the Audit and Risk Committee agreed to note the content of the report, appendices and links.

12. Internal Audit Progress Report – 2022-23 Annual Plan

S Inglis spoke to the content of the report, providing members with an update on progress of the Internal Audit Plan.

S Inglis confirmed that progress was as expected, and no significant issues had arisen. He reported that audits in relation to Credits, Bursary, Childcare and Hardship Funds and EMA were outstanding, however, fieldwork in these areas had commenced.

S Inglis informed members that a further update would be provided at the next meeting of the Audit and Risk Committee.

13. Governance Update

The Director of Estates and Corporate Services spoke to the content of the report which sought to provide members with an update in relation to governance matters.

L Clark provided a summary of her report advising of the following:

- Appointment of a Project Manager to oversee various projects planned as part of the College's successful bid to the Energy Efficiency Grant Scheme;
- West End Campus curriculum successfully relocated to other campuses for the commencement of Academic Year 2023-24;
- Progressing with the actual exit of West End Campus;
- Catering tender awarded to Baster Storey;
- Martyn's Law tabletop exercise scheduled with the Incident Management Team;
- One minor action from the Code of Good Governance will be followed up with the Secretary to the Board;
- Reinforced Autoclaved Aerated Concrete (RAAC) – College opinion this is not present in College buildings due to build years being outwith the period of concern; a Surveyor was enlisted and confirmed this in writing with a request for information relating to RAAC from the Scottish Funding Council being received and responded to accordingly.

D Grenham sought clarity as to what other controls had been identified by Senior Management in relation to the planned environmental and sustainability projects and the appointment of a Project Manager. L Clark responded with the additional controls, such as monthly reporting to Scottish Government and key College managers having oversight alongside the Project Manager. In addition, L Clark confirmed a risk register for the project had also been established.

J Evans provided further reassurance, adding that upon appointment of the contractor for works, a steering group would be established and sponsored by a member of the Senior Management Team. Regular reports will be prepared by the sponsor/steering group and presented to the Senior Management Team and appropriate committees for further oversight.

J Evans highlighted the scale of the project and the rationale for the appointment of a Project Manager. She also added that legal advice had been sought and highlighted the risks in relation to deadlines, which had been considered carefully to ensure they could be realistically met.

In response to a question as to whether the cost of the Project Manager was covered by the grant awarded, J Evans confirmed this was the case.

J Hogg commended the work involved in relation to the relocation of the curriculum from West End Campus to other campus locations over the summer period indicating that he had a good understanding of the volume of work that this would have entailed.

Members of the Audit and Risk Committee noted the content of the report, links and appendices.

14. Governance Action Plan – Update

The Secretary to the Board of Management spoke to the content of the report, which sought to provide members with an update on progress against the Governance Action Plan (GAP).

L Ellison informed members that the GAP is presented to the Board of Management twice a year and captures actions taken as a Board, the Code of Good Governance and feedback from evaluation sessions etc. She advised the GAP was provided as an appendix to the report, adding that actions identified, and progress made from the most recent Board of Management meeting would be added and presented at the next meeting of the Audit and Risk Committee.

Members of the Audit and Risk Committee agreed to:

- i) note the content of the report and its appendix; and
- ii) consider and note the progress made against the Governance Action Plan.

15. Insurance Cover 2023-24 – NOT IN THE PUBLIC DOMAIN

The Director of Estates and Corporate Services spoke to the content of the report, which sought to confirm the arrangements for insurance cover for session 2023/24.

The Director confirmed that the College insurance cover had been renewed with the existing provider UMAL and informed members that during Academic Year 2023/24, a tender process for a future insurance cover provider would take place, to ensure continued value for money. L Clark also advised members that a summary and costings of the cover provided were included in Appendices 1a and b alongside a comparison of insurance costs from academic years 2019/20 to 2023/24 in Appendix 2.

The Director informed members that the College had received two quotes for cyber insurance and had purchased an appropriate policy that provided a good level of cover and was value for money.

In response to a question from J Hogg in relation to conditions attached to cyber insurance, L Clark confirmed that both herself and J Quinn, Director of Digital Services reviewed the insurance questionnaire in detail, answered fully this extensive document and were content that the College met all conditions required.

Members of the Audit and Risk Committee agreed to:

- i) note the contents of the report and its appendices;
- ii) note that the insurance cover is in place from 01 August 2023 to 31 July 2024; and
- iii) note that a tender exercise will be conducted for insurance during this Academic Year for cover to start in Academic Year 2024/25 with the Audit and Risk Committee being notified of progress in due course.

16. Audit Scotland Fees

The Vice Principal - Operations spoke to the content of the report, which provided members with an update on the Committee's request to seek clarification in relation to Audit Scotland fees.

J Evans drew members attention to the paragraph in blue text on page three of the report extracted from the Audit Scotland correspondence and opined that the current fees were disproportionate. J Evans sought clarification from members on whether to pursue this matter further.

Members discussed the correspondence and requested the Vice Principal – Operations to pursue this matter further and feedback.

J Evans to liaise further with Audit Scotland in relation to the Audit Scotland correspondence and feedback at a future meeting of the Audit and Risk Committee.

Members of the Audit and Risk Committee agreed to:

- i) note the content of the report and the Audit Scotland response at Appendix 1; and
- ii) requested the Vice Principal – Operations to liaise with Audit Scotland and report any further updates at a future meeting of the Audit and Risk Committee.

17. Freedom of Information and Data Protection Request Monitoring - Academic Year 2022-23

The Director of Estates and Corporate Services spoke to the content of the report which provided members with assurance that requests received in relation to Freedom of Information (FOI) and Data Protection were attended to in line with the requirements of both acts.

The Director informed members that the College received twenty-seven FOI requests during Academic Year 2022-23 with a response rate within designated timescales (twenty working days) being 100%. In relation to requests received under the Data Protection Act, thirty data related items were attended to and again the response rate (one month for Subject Access Requests) was 100%. The Director also confirmed that quarterly returns to the Information Commissioner were also submitted timeously.

Members of the Audit and Risk Committee agreed to:

- i) note the content of the report;
- ii) note the number of FOI/Data Protection requests received during Academic Year 2022/23;
- iii) note that all data and FOI requests received were actioned within the relevant timescales required – 100% achievement rate;

- iv) note the College submitted the required quarterly FOI returns for the Information Commissioner to deadline; and
- v) note that the College will continue to have due regard to both the Freedom of Information (Scotland) Act 2022 and Data Protection Act 2018 and adhere to the timescales required.

18. Audit Scotland

- a) **Audit Scotland - Public Audit in Scotland 2023-28**
- b) **Audit Scotland - Annual Report and Accounts 2022-23**
- c) **Audit Scotland - Technical Bulletin 2023/2 – April to June 2023**

19. National Risk Register 2023

20. EIS-FELA Industrial Action Notice

21. EIS-FELA Industrial Action Ballot Notice

22. UNISON Industrial Action Notice

Members noted items 18 – 22 for their information.

23. Impact on Students – Student impact to be considered as a consequence of the consideration of the above agenda

Members agreed that no impact on students had arisen as a consequence of the business conducted at the meeting held on 05 September 2023.

24. Risk Management – Risk issues to be considered as a consequence of the consideration of the above agenda

Members agreed that no new risk management issues had arisen as a consequence of the business conducted at the meeting held on 05 September 2023.

25. Equality Management – Equality issues to be considered as a consequence of the consideration of the above agenda

Members agreed that no new equality management issues had arisen as a consequence of the business conducted at the meeting held on 05 September 2023.

26. Data Protection – Data Protection issues to be considered as a consequence of the consideration of the above agenda

Members agreed that no new data protection issues had arisen as a consequence of the business conducted at the meeting held on 05 September 2023.

27. Environmental and Sustainability – Environmental and Sustainability issued to be considered as a consequence of the consideration of the above agenda.

Members agreed that no new environmental and sustainability issues had arisen as a consequence of the business conducted at the meeting held on 05 September 2023.

28. Closure

L Ellison advised that the notes from the Committee's evaluation session, which took place at the last meeting would be circulated electronically.

The meeting closed at 6.10pm with the Chair thanking members for their attendance and contribution.

29. Date of Next Meeting

Thursday, 16 November 2023 at 5.00pm via MS Teams.