

Glasgow Kelvin College**Board of Management****Audit and Risk Committee****Minute****Minute of the meeting held on Tuesday 29 November 2022 at 5pm via MS Teams****1. Sederunt**

John Hogg, Chair
Natalie Phillips
Jennifer Lavery
Elaine Clafferty
Michael O'Donnell
Dermot Grenham

In attendance:

Linda Ellison, Secretary to the Board;
Derek Smeall, Principal and Chief Executive;
Jeanette Evans, Vice Principal Operations;
Lisa Clark, Director of Corporate Services;
David Archibald, Henderson Loggie;
Gary Devlin, Azets;
Adrian Kolodziej, Azets;
Annette McKenna, Governance & Executive Support Manager (*for recording purposes*).

2. Apologies

No apologies were received.

3. Terms of Reference

Members noted the Terms of Reference. The meeting was quorate with 6 members in attendance.

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

No declarations of interest or connections were noted 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 6 September 2022

Members accepted the minute as an accurate record of the business conducted at the meeting held on 6 September 2022.

6. a) Matters Arising from the Previous Meeting held on 6 September 2022

There were no items arising from the previous meeting held on 6 September 2022.

b) Action List

i) Audit and Risk Committee Action Log as at November 2022

Members discussed the content of the Action Log and agreed that the action in relation to *deep dive into one or two risks at future committee meetings* be removed from the log.

Members also agreed that it would be helpful to keep previous 'due dates' noted on the log when updated and use a strikethrough to show the date had been changed, rather than delete the original timescale.

Items for Approval and Endorsement

7. Audit and Risk Committee Annual Report 2021/22

The Vice Principal Operations informed members that the purpose of the report was to provide members with an overview of the work undertaken by the Audit & Risk Committee during the academic/financial year 2021/22.

J Evans added that this was a comprehensive report that had an executive summary added, at section 3, as requested previously by members.

She highlighted the overwhelmingly positive key points contained in report that included:

- the internal auditor confirmed that no significant issues which indicated major internal control issues were identified from the internal audit work completed during the year and issued a positive audit opinion;
- the External Audit Report was positive, confirming that the accounts provide a true and fair view of the financial position of the College as at 31 July 2022 and an unqualified audit opinion had been given; and
- the Student Activity Audit and Student Funds Audits were satisfactorily concluded with the required information and certificates forwarded to the Scottish Funding Council.

The Chair concurred with J Evans comments and added that if members contact him if they had any comments or additions to the report. He added that it may be of benefit to add, to the 'future plans' section of the report, that the Committee had requested that the Cyber Security Internal Audit would be the first audit carried out in academic year 2022/23. J Evans agreed to add this to the report.

M O'Donnell added that the content of the report presented the quality of the oversight the Committee had and that it undertakes its remit; it had been a good year for the Committee.

G Devlin noted that the report was excellent and showed that the Committee had reviewed its role and remit then mapped the actions undertaken to show they had delivered.

Members of the Audit and Risk Committee agreed to:

- approve the Chair of the Audit & Risk Committee's Annual Report for the financial year ended 31 July 2022;
- note the Audit Committee Opinion outlined in section 16 of the Report; and

- iii) note that Report will be presented to the Board of Management on 12 December 2022, once authorised by the Board, the Principal will forward the Annual Audit Report (and its appendices) to the Scottish Funding Council/GCRB.

8. Internal Audit Reports – Henderson Loggie

a) Asset / Fleet Management

D Archibald spoke to the content of the Internal Audit Report.

He provided members with an overview of the report and highlighted the satisfactory level of assurance. He noted the strengths and weaknesses listed in the report.

In addition, he took members through the main findings and Action Plan for both the asset and fleet management as noted in the report. He added that processes are in place with minor areas for improvement required; reinforce processes with staff.

D Grenham raised a question in relation to assets not being where they should have been located as noted in the report. He asked if there were any concerns related to items being removed inappropriately and if further controls were required. D Archibald informed members that the assets in question moved around the College for general use, there was no inappropriate movement of assets.

N Phillips asked if Power Bi could be used as a monitoring tool to log, record and track assets. The Principal informed members that digitalisation would be used in the process of asset tracking but that there were no plans to use Power Bi.

Members of the Audit and Risk Committee agreed to approve the content of the Internal Audit report.

b) Student Activity Data (Credits Annual Audit)

D Archibald spoke to the content of the Internal Audit Report.

He provided members with an overview of the report and highlighted the audit opinion:

- the student data returns had been completed in accordance with all relevant guidance;
- adequate procedures are in place to ensure the accurate collection and recording of the data; and
- we can provide reasonable assurance that the FES return is free from material misstatements.

He took members through the two low level recommendations noted in the Action Plan.

The Chair highlighted an outstanding recommendation from the audit undertaken in December 2021 as listed on page 14 of the report. He noted the revised implementation date of 30 November 2022 and asked if this was on track to be completed by the agreed date. L Clark informed members that she had confirmed with the Head of Student Information Services that this had been fully implemented; she noted that this action can be removed from the report.

Members of the Audit and Risk Committee agreed to approve the content of the Internal Audit report.

c) Student Support Funds (Covers EMA and Bursary Audit/Childcare and Hardship)

D Archibald spoke to the content of the Internal Audit Report.

He provided members with a summary of the findings and conclusion of the audit as noted on page 2 and 3 of the report. He informed members that there were no major issues identified.

He informed members that he was comfortable in the way the College had assessed the need for Covid19 funding and had targeted this appropriately.

Members of the Audit and Risk Committee agreed to approve the content of the Internal Audit report.

9. Internal Audit Annual Plan – 2022/23

D Archibald spoke to the content of the report that sought members approval on the content on the Internal Audit Action Plan. He reminded members that due to the College invoking the extension clause to the internal audit contract, the Plan had been extended by two years to include 2023/24 as listed on pages 2 and 3 of the report.

He provided members with a summary of the outline and objectives for the Cyber Security audit that would be undertaken over 5 days. He highlighted to members of the Audit and Risk Committee had previously requested that this audit be the first undertaken in 2023. He noted that a member of his Audit Team is qualified in this specialist area.

He added that the other audit scopes and objectives had been shaped by discussion with SMT.

The Chair commented that previously some audits had been rescheduled to allow for the level of business being brought to the Committee and work for key college staff to be managed. He asked when the schedule of audits would be available to members. D Archibald added that following approval of the recommended scopes he would liaise, as a priority, with members of the SMT and the dates confirmed.

D Grenham commented that given the challenging financial environment that the College is moving into should the Internal Auditors look at workforce planning. M O'Donnell asked D Archibald if other areas of priority should be considered. D Archibald added that it is a joint decision between the auditors and SMT on areas to be audited. He added that the decisions are based on previous coverage and key risks, ensuring that the scope covers what is required. He noted that he is comfortable with the areas being audited. He added that there is scope to change the schedule in-year if required.

J Evans informed members that the audit assignments had been reviewed and prioritised where coverage was required. She added that workforce planning will be

reviewed by SMT over the next few months and that the Board of Management would have full visibility of the outcome. She noted that the Plan was comprehensive and provided maximum coverage with an opportunity to revise if this was required.

Members of the Audit and Risk Committee approved the content of the report and the direction of travel.

10. Audit Action Plan

The Director of Corporate Services spoke to the content of the report that sought to provide members with the current version of the Audit Action Plan, attached to the report as appendix 2.

L Clark noted that the completed internal audits and dates they were reported to the Audit and Risk Committee are listed in appendix 1 to the report.

She added that the Audit Action Plan, appendix 2 to the report, presented the progress made in relation to low, medium and high grade recommendations following the completed internal audits. She highlighted that the format of the Plan had been updated to mirror the format used by the Internal Auditors. She added that the Plan is routinely reviewed by members of SMT so that they have oversight and can provide an update on any outstanding recommendations.

The Chair commented that the revised format is helpful for members. He noted that the recommendation related to the Estates Strategy and Capital Projects audit was listed as fully completed but that there was no text in the 'progress' column to reflect this. L Clark confirmed that the recommendation had been completed and that she would ensure the appropriate text was added.

D Grenham suggested that when an 'action by' date is extended that the original date is kept alongside the revised date; strikethrough could be used to show this. The Chair agreed that this was helpful and requested this be implemented going forward.

D Archibald commented that having this ongoing process is extremely beneficial. He added that the College, in comparison to other colleges, do not have a huge amount of roll forward recommendations. He added that he welcomed the process put in place by the College.

Members of the Audit and Risk Committee to:

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

11. Assurance Framework

The Vice Principal Operations spoke to the content of the report that sought approval from members for the revised Assurance Framework.

J Evans informed members that the Assurance Framework is seen as good practice and is a requirement of the Code of Good Governance. She added that the format of the document had been presented slightly different from previous versions, it provided the full risk, the cause, affect and assurances. She recommended, going forward, that the Assurance Map is brought to the Audit and Risk Committee

annually; she noted that it would be reported to the Board of Management via the appropriate Audit and Risk Committee minute.

D Grenham commented on the content of the Assurance Framework, in relation to the level of the defence, attached as appendix 1 to the report. J Evans agreed to consider this further with D Grenham, offline, to add value prior to the Framework being brought back to the Committee next academic year. She added that she would also welcome feedback from D Archibald.

D Archibald added that the main benefit of the Framework is that it maps out the first, second and third line of assurance and identifies any gaps.

The Chair noted that some of the risks may have a negative impact but are out with the control of the College; have interdependencies. J Evans added that it would be helpful to show this and add an 'interdependencies' column to the Framework.

J Evans asked members to approve the Assurance Framework as a work in progress and noted it would be brought back to the Audit and Risk Committee in September 2023 for further consideration.

Members of the Audit and Risk Committee agreed to:

- i) note the contents of this report and Appendix 1;
- ii) approve the Assurance Framework and Map, as a work in progress; and
- iii) note that moving forward the Assurance Map will be reviewed annually by the Audit and Risk Committee and by 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 & Risk Committee.

Action: The Assurance Framework would be reviewed further by D Grenham, D Archibald and J Evans to add value prior to the report being brought to the September 2023 meeting of the Committee – Vice Principal Operations.

12. Policies

- a) **Anti-Bribery Policy**
- b) **Anti-Fraud and Anti-Corruption Policy**
- c) **Gifts and Hospitality**
- d) **Public Interest Disclosure ("Whistle Blowing") Statement of College Policy**

The Director of Corporate Services spoke to the content of the report that sought approval from members on items 12a and 12b and endorsement for items 12c and 12d as they required approval by the Board of Management.

L Clark informed members that small amendments had been made to the policies and were denoted in blue text.

Members of the Audit and Risk committee agreed to:

- i) note the contents of this report and its appendices;
- ii) approve the policies as attached; and

- iii) note that two of these policies (Public Interest Disclosure Policy and Gifts and Hospitality Policy) will also require to be approved at the Board of Management – these will be on the agenda for the 12 December 2022 meeting.

13. Internal Audit Progress Report – 2021/22 Annual Plan

D Archibald spoke to the content of the report that summarised the work undertaken by Henderson Loggie, Internal Auditors, during academic year 2021/22.

He highlighted that all internal audits listed in the Audit Annual Plan for academic year 2021/22 had been completed:

Student Support	Overall grade – Good
Publicity and Communications	Overall grade - Satisfactory
Data Protection	Overall grade – Good
Estates Strategy & Capital Projects	Overall grade – Satisfactory
Performance Reporting & KPIs	Overall grade – Good
Quality Assurance	Overall grade – Good

He added that the audits undertaken provided an unqualified audit opinion and there were no significant issues identified related to major internal control weaknesses.

He provided members with a summary of the follow up reviews undertaken on previous recommendations.

The Chair thanked D Archibald and his Team, on behalf of the Board of Management and staff, for the work undertaken on behalf of the College.

Members of the Audit and Risk Committee agreed to note the content of the Internal Audit Progress Report.

14. Governance Action Plan - Update

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

L Ellison informed members that the GAP is a comprehensive key reporting document that contains all governance actions in one document and taken from internal and external sources.

She drew members attention to the completed actions highlighted in green on the GAP, attached as appendix 1 to the report. She noted that the outstanding actions were largely related to the Board of Management self-evaluation process.

D Archibald commented that the College are the exception to the rule in developing a process to capture governance actions and retain a rolling Action Plan, including actions from the Externally Facilitated Effectiveness Review.

Members of the Audit and Risk Committee agreed to:

- i) note the content of this report and its appendix;
- ii) consider and note progress against the Governance Action Plan in Appendix 1; and

- iii) note that this update will be presented to the Board of Management meeting to be held on 12 December 2022.

15. Risk Management Update

The Vice Principal Operations spoke to the content of the report and reminded members that the College's Strategic Risk Register and Risk Register are considered at every meeting of the Audit and Risk Committee.

J Evans reminded members that the new Risk Framework had been approved by the Committee at its meeting held in November 2022 and had transformed how the College viewed risk management. She highlighted that a huge amount of work had been undertaken and that the new Framework had been embraced within the College. She added that the Director of Corporate Services leads on this area.

L Clark informed members that the Senior Management Team (SMT) had reviewed, in detail, the College Risk Register and all changes had been denoted in red text or strikethrough. She highlighted the risks to the College are reviewed on an ongoing basis and are listed on page 2 and 3 of the report.

Members of the Audit and Risk Committee agreed to note the contents of this report and its appendices/links provided for members information.

16. Governance Update

The Director of Corporate Services spoke to the content of the report that sought to provide members with an update in relation to corporate governance areas.

L Clark took members through her report and highlighted that an updated Code of Good Governance for Scotland's Colleges had recently been circulated and that the Good Governance Steering Group would be reviewing and revising the Code again during session 2023 to ensure it remains current.

She added that she and the Secretary to the Board of Management would review the newly circulated document and plot any actions against the old Code.

She also highlighted that the response to the Scottish Public Services Ombudsman (SPSO), noted in the report, would be submitted prior to the deadline date of 30 November 2022.

The Chair asked how it is decided if the College should extend its Externally Facilitated Effectiveness Review to every five years. The Secretary to the Board informed members that it is the decision of the College, if it feels comfortable to extend the review date. The Chair added that it would be sensible in the current climate to extend the EFER to 5 years with a caveat to keep this under review and participate sooner if required. D Grenham and M O'Donnell agreed with the recommendation made by the Chair. L Ellison agreed to keep this under review.

Members agreed to note the content of the report and its appendices.

17. NFI Matters – Developing Strategies to Detect and Prevent Fraud

Members noted the content of the correspondence.

18. **Audit Scotland**
 - a) **Technical Bulletin 2022/23**
 - b) **Guidance on Planning the Annual Audit for Public Bodies 2022/23**Members noted the content of the reports provided for their information.
19. **SFC Strategic Plan 2022/27**

Members noted the content of the Strategic Plan provided for their information.
20. **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 29 November 2022.
21. **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 29 November 2022.
22. **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 29 November 2022.
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 29 November 2022.
24. **Closure**

The meeting closed at 7.20pm with the Chair thanking members from the attendance and contribution.

The Chair formally thanked G Devlin and A Kolodziej from Azets, on behalf of the College, for the work undertaken over the years whilst they provided External Audit services. He added that G Devlin had been a constant support and guidance to the College. G Devlin thanked the Chair for his kind words and noted it had been a privilege to work with the staff at the College and members of the Audit and Risk Committee.

In addition, the Chair thanked A Carr and the Finance Team for the work undertaken, on behalf of the College, with regard to the Annual Report and Financial Statements.
25. **Date of Next Meeting**

14 February 2023 via MS Teams