



Glasgow Kelvin College

Board of Management

Audit and Risk Committee

Minute

Minute of the meeting held at 5pm on Tuesday, 3 September 2024 Room WG1 Springburn Campus

1. Sederunt

Dermot Grenham, (Chair) via MS Teams;
Natalie Philips (Vice Chair);
Dr Elaine Clafferty;
Jennifer Lavery, Support Staff Member; and
John Hogg via MS Teams.

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;
David Archibald, Henderson Loggie;
Stuart Nugent, Audit Scotland; and
Annette McKenna, Governance & Executive Support Manager (for recording purposes)

2. Apologies

No apologies were received.

3. Terms of Reference

The meeting was quorate with five non-executive members in attendance.

4. Declarations of Interests and Connection

a) Interest

b) Connection

No declarations of interest were raised by members; connections are not minuted. The Chair reminded member that they could raise these at any point throughout the meeting.

5. Minute of the Previous Meeting held on 14 May 2024

S Nugent advised that the first sentence in regard to material misstatement was inaccurate. Furthermore, S Nugent drew members attention to the first paragraph on page 4 of the minute and requested the following sentence be removed as the External Auditors do work on these two areas *'Consequently, work in these two areas had not been incorporated into work in the audit plan.'*

Following the amendment noted above, members accepted the minute as an accurate record of the business conducted at the meeting held on 14 May 2024.

6. a) Matters Arising from the Previous Meeting held on 14 May 2024

E Clafferty drew members attention to the last paragraph on page 2 of the minute and updated that she and members of college staff had been invited to the University of Strathclyde to observe the methodology employed by the Project Governance Office.

E Clafferty referred to the audit action i.e. that a suite of management documents would be produced to ensure a consistent and clear approach is adopted by the College when undertaking digital projects, and that this be actioned by the Director of Digital and Information Services no later than 31 July 2025. It was indicated that the aforementioned visit may assist with this action.

b) Action List

i) Audit and Risk Committee Action Log as at September 2024

Members noted the two live actions noted on the Action Log.

Items for Approval and Endorsement

7. Henderson Loggie

a) Annual Internal Audit Plan 2024/25

D Archibald spoke to the content of his report that sought to present, for consideration and approval, the annual Internal Audit Plan for 2024/25.

He reminded members that Henderson Loggie had been reappointed to carry out a full annual audit programme for a year to 31 July 2025.

He took members through the content of the report and highlighted that, not including the three compulsory annual audits, another five topics had been recommended whilst aligning with key risks and important areas that had not been audited for a while. He informed members that the five proposed audit assignments were:

- student recruitment and retention;
- staff recruitment, retention, succession planning and sickness absence;
- Estates Strategy – capital projects and planned maintenance;
- procurement and creditors / purchasing; and
- fraud prevention, detection and response.

He provided members with an overview of the scopes, fieldwork timings and number of allocated days for the five internal audits noted above and the three compulsory annual audits; credit audit, student support funds and follow up reviews.

The Chair opened the meeting to members and asked if they felt this was an appropriate list of internal audits. The Principal noted that the proposed audits for 2024/25 had the support of the Senior Management Team.

J Hogg commented that he had no issues with the proposed audits for 2024/25 but questioned going forward how the Committee can add value to this process and

assess priority and alignment with the Strategic Risk Register; He suggested that the Committee should start planning at the end of academic year 2024/25 for 2025/26. A lengthy discussion ensued, and members agreed the following:

- **continue to review, via the Internal Audit Progress Report, if any changes are required to the agreed audit assignments / timeline;**
- **invite the new Internal Auditors for 2025/26 to the last Committee meeting of 2024/25 to allow them to participate in the discussions in relation to the audits for 2025/26; and**
- **Committee members, at the end of each academic session, review the Risk Register for the purpose of identifying internal audit assignments for the following academic year.**

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

b) Follow Up Reviews 2023/24

D Archibald spoke to the content of his 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 to that.

He informed members that the College has made good progress in implementing the 11 recommendations followed-up as part of this review; 8 fully implemented, 2 partially implemented and 1 showing little or no progress made.

N Philips drew members attention to the cyber security R4 on page 11 of the report and asked why the date for completion had been revised to 1 January 2025. D Archibald informed that this was due to the number of suppliers checked before the College procures their services and the flow of information. He added that the supplier has the responsibility to remain certified in cyber security and provide copies of recertification to the College as a matter of course.

E Clafferty drew members attention to the environmental sustainability R3 on page 6 of the report. In response to a question from E Clafferty, L Clark informed that training had been provided on the BEMS system prior to the covid-19 lock downs. She added that the College had repeatedly asked for retraining from the contractor due to the passage of time but this had not been forthcoming and requests had been ignored. She informed members that the BEMS contractor had now been changed, and the new service provider will provide the training requested; this is being organised at present. E Clafferty noted the solution in place.

Members agreed to approve the content of the report.

8. Audit Action Plan

The Director of Estates and Corporate Services spoke to the content of the report that sought to provide members with the current Audit Action Plan that monitors progress made in implementing recommendations made by the Internal and External Auditors.

She drew members attention to the current Audit Action Plan as at August 2024, appendix 1, accessed via a link in the report. She noted the 20 low priority recommendations and one medium recommendation; eleven of the recommendations are considered by the College to be fully implemented and five partially implemented. She added that the Audit Action Plan is reviewed fortnightly by members of the Senior Management Team.

The Chair thanked L Clark and the Senior Management Team on the work undertaken to address the actions.

Members of the Audit and Risk Committee agreed to:

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

9. Risk Appetite Review / Risk Category

The Director of Estates and Corporate Services spoke to the content of the report that sought approval for the risk categories and risk appetite settings noted in the report. She added that this will be discussed/endorsed at the October 2024 Board of Management meeting.

L Clark informed members that this followed on from the Board Development event on risk categories and risk appetite, held on 18 April 2024, that was facilitated by D Archibald, Henderson Loggie.

Following on from the session, members who attended, were provided with a survey via MS Form to complete.

She highlighted that 8 out of 9 responses were received and that the results were attached as appendix 1 to the report. She provided members with a summary of the results. She noted that the result of the financial risk category was split between two appetites, cautious and minimal, therefore further discussion was required. D Archibald added that this is why it is suggested that you review your Risk Appetite once per year in terms of changes.

Members discussed and debated on the risk appetite related to the financial risk category and how the difference would work in practice. Members noted they had looked at this from different views. J Evans reminded members that the College had been overly cautious with its spending in the past few years. She added that the College had worked hard to improve its financial stability and is now on a positive trajectory, albeit with minimal allowance for reinvestment in resources. Members agreed to recommend to the Board of Management that the Risk Appetite related to Financial Risks to be set at minimal.

The Chair thanked D Archibald for facilitating the Board Development event.

Members of the Audit and Risk Committee agreed to:

- i) note the contents of this report and links;
- ii) approve the risk categories and risk appetite settings which will be discussed/endorsed at the October 2024 Board of Management meeting. It

was agreed that the risk appetite for the Financial Risk category be set as minimal; and

- iii) note that the Risk Management Framework will be amended after the October 2024 Board of Management meeting and will be presented to the November 2024 Audit and Risk meeting.

10. Risk Management Update and College Risk Register

The Director of Estates and Corporate Services spoke to the content of the report and reminded members that the College Risk Register is considered at every meeting of the Committee, as well as the Risk Management Committee twice per year and the Board of Management annually. She added that the Senior Management Team review the Risk Register at least once per Quarter.

L Clark provided members with an overview of the risk management activities set out in section 2 of the report.

She highlighted the new risk added, R14 that related to Credits. She added that at the time of writing the report the Industrial Action by EIS was still ongoing, therefore the scoring had been raised for R6 – Student Experience and R9 Student Recruitment and Retention.

The Principal informed members that the risks associated with the Industrial Action would be picked up at the next review; there will be movement in the red risks, they will go down or disappear. **He added that he had received formal notification that both sides of the dispute had ratified the pay offer, and he would send an update communication to members of the Board of Management.**

In a response to a question from E Clafferty, L Clark informed members that Baxter Storey had lost income due to the number of strike days and that the College had made a small amount of recompense, to allow for them to continue to provide catering provision for the students and staff. It was noted that they could have used the break clause in their contract and departed but they had not. J Evans provided members with a summary of the catering contract and highlighted that Baxter Storey had not budgeted for the decreased numbers as a consequence of the Industrial Action.

In a response to a question from N Philips regarding the issues related to estates and facilities staffing, L Clark informed that the College are currently interviewing for the Head of Facilities and Environmental Sustainability. The Principal added that there is a high calibre of applicants to choose from.

J Lavery raised the risk to staff if SAAS funding was moved to being distributed centrally by the Scottish Government; the unions are talking to staff regarding the potential of that outcome. The Principal informed that the concerns have been discussed at length within the Sector and that this will remain a live discussion, albeit it is not clear at present what the intention is. J Evans informed members that from the 1 September 2024, the student funding and finance staff will take up a shared job description. This provides them with comfort as it is a diverse role.

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

11. Statutory Accounting Policies

The Vice Principal Operations spoke to the content of the report and reminded members that these are presented to the Committee for approval in advance of preparation of the final accounts.

J Evans informed members that appendix 1, attached to the report, set out the proposed changes highlighted in red text. She highlighted the estimates for buildings and pensions as noted the appendix. She informed members that the Going Concern narrative would be updated at a later date, this is prepared annually to enhance clarity.

She further informed members that at the time of writing the report the Accounts Direction had not been published for 2023/24 year end accounts.

S Nugent added that as a matter of course, the accounting policies would be looked at in detail, whilst undertaking the audit. He noted that the Accounts Direction had still not been published.

Members of the Audit and Risk Committee are recommended to:

- i) note the contents of this report and its appendix; and
- ii) approve the Statutory Accounting Policies for the 2023/24 Annual Statutory Accounts.

12. Assurance Framework – Annual Review

The Vice Principal Operations spoke to the content of the report that sought approval from members on the annual review of the Assurance Framework.

J Evans reminded members that she had worked with D Archibald to enhance the Framework. She noted that the Framework would be brought to the first meeting of the Committee every academic year for review.

She informed members that the Assurance Map, attached as appendix 1 to the report, had been updated with changes highlighted in red text. She noted that no radical changes had been made, and that the College approach to the Framework is still relevant.

D Archibald noted that this document is extremely valuable in the internal audit processes.

Members of the Audit and Risk Committee agreed to:

- i) note the contents of this report and Appendix;
- ii) approve the Assurance Framework, which is unchanged from September 2023;
- iii) approve the Assurance Map at Appendix 1, with changes highlighted in red; and
- iv) note that the Assurance Framework and Map will be reviewed in September each year by the Audit and Risk Committee and by management and the Secretary to the Board of Management and then reported to the Board of Management via the minute of the meeting of the Audit & Risk Committee.

13. Internal Audit Progress Report - September 2024

D Archibald, Internal Auditor Henderson Loggie, spoke to the content of the report.

He drew members attention to page 1 of the report and informed that all the agreed audits for 2023/24, as set out the Annual Audit Plan, had been undertaken and delivered within the timescales.

He added that a progress report on the 2024/25 audits would be brought to the next meeting of the Committee.

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

14. External Audit Progress Report 2023/24

S Nugent, External Auditor Audit Scotland, spoke to the content of the report that sought to provide members with a progress update on the Annual Audit Plan for 2023/24, approved at the Audit and Risk Committee meeting held on 14 May 2024.

He provided members with an overview of his report and highlighted the work undertaken in relation to the key financial controls. He noted that not all that work has been completed however, to date, no significant issues had been identified.

He added that the work related to the wider scope and Best Value audit, as set out in the report, is ongoing. He noted that the findings from this audit will be included in the Annual Audit Report that will be brought to the Committee meeting in November 2024.

In addition, he highlighted the College's RAG green status in relation to the questionnaire completed in February 2024 in relation to the National Fraud Initiative (NFI); this reflects a positive and effective approach to NFI by the College.

In a response to question from the Chair, S Nugent informed that the External Auditors take a national approach to fraud and NFI, it is a data matching exercise.

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

15. Governance Update

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

L Clark provided members with a summary of her comprehensive report.

She highlighted the UMAL safety inspections undertaken in January 2024 and drew members attention to the Action Plans resulting from the inspections available at section 2 of the report; it was noted that these action plans were complete.

She also highlighted that the suggested date for conclusion of the missives related to the sale of the West End Campus was 30 September 2024. She added that the building was currently being emptied and is on track to be handed over in an orderly manner.

L Clark drew members attention to section 4 of the report and noted that the issue of Audit Scotland fees had been discussed at length at the Board of Management meeting held on 12 June 2024. This matter had been referred back to the Audit and Risk Committee by the Board of Management to consider if a letter to the Minister should now be sent.

Members discussed, at considerable length, the issue related to the Audit Scotland fees. **Members agreed that J Evans draft a letter, and as the letter is being sent to the Minister, the Chair of the Board of Management should sign this on behalf of the Board of Management.** Members also agreed that following the letter, the College had exhausted the process to retain a fair reduction in its external audit fees.

In response to a question from the Chair, L Clark informed that in relation to the systems and processes being put in place by AG Lockdown to meet the requirements of Martyn's Law, visitors would be included. She added that practice sessions / training would be held and that visitors would be taken into consideration.

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

16. Insurance Cover 2024/25

The Director of Estates and Corporate Services spoke to the content of the report that sought to confirm the arrangements for insurance cover for session 2024/25.

L Clark informed members that the College had been offered and agreed to a reduction in its insurance costs by UMAL. She provided members with a summary of the insurance cover and associated costs. She also provided members with an overview of the elements of the cover and noted that the College had cyber security cover which is not available to every organisation.

She highlighted the College's good working relationship with UMAL who provide an excellent service.

Members of the Audit and Risk Committee agreed to:

- i) note the contents of this report and its appendices; and
- ii) note that the insurance cover is in place from 1 August 2024 to 31 July 2025.

17. Freedom of Information and Data Protection Request Monitoring Academic Year 2023/24

The Director of Estates and Corporate Services spoke to the content of the report that sought to provide reassurance to members that requests received are responded to in accordance with the requirements of both Acts and provide an overview of the requests received in academic year 2023/24.

L Clark provided an overview of her report and informed members that the compliance rate for the College responding to Freedom of Information (FOI) requests during academic year 2023/24 was 100%. She highlighted the number of requests as shown in the table on page 1 of the report.

In addition, she highlighted the number of GDPR requests received between August 2023 and July 2024 as provided in the table on page 3 of the report. She added that a total of 26 data related items had been attended to during academic year 2023/24. It was noted that the compliance rate for the College for the period August 2023 - July 2024, in relation to responding in the relevant timescales for data requests was 100% compliance.

J Lavery drew members attention to the table on page 1 of the report in relation to FOI requests. She asked if the lower number of requests for which information was provided in full in the period May – July 2024 was due to sensitive data being sought. L Clark informed that this was due to the information requested either not being held or otherwise accessible to the requestor, for example, via the College website.

In a response to a question from D Grenham, L Clark informed that sensitive data had only been requested a few times as the College is a transparent organisation which makes responding to FOI requests much easier than would normally be the case.

The Chair thanked L Clark for presenting her report.

Members of the Audit and Risk Committee are recommended to:

- i) note the contents of this report;
- ii) note the number of FOI/Data Protection requests received during academic year 2023/24;
- iii) note that all data and FOI requests received have been actioned within the relevant timescales required – 100% achievement rate;
- iv) note that the College has 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.

For Information

18. a) Audit Scotland Technical Bulletin 2024/2

Members noted the content of the Bulletin provided for their information.

Impact on Students, Risk, Equality, Data Protection and Environmental & Sustainability – Discussion

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

Members agreed that no issues had arisen as a consequence of the business conducted at the meeting.

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

Members agreed that no issues had arisen as a consequence of the business conducted at the meeting.

- 21. Equality Management – Equality issues to be considered as a consequence of the consideration of the above agenda**
Members agreed that no issues had arisen as a consequence of the business conducted at the meeting.
- 22. Data Protection – Data Protection issues to be considered as a consequence of the consideration of the above agenda**
Members agreed that no issues had arisen as a consequence of the business conducted at the meeting.
- 23. Environmental and Sustainability – Environmental and Sustainability issues to be considered as a consequence of the consideration of the above agenda**
Members agreed that no issues had arisen as a consequence of the business conducted at the meeting.
- 24. Closure**
The meeting closed at 6.20pm with the Chair thanking members for their attendance and contribution.
- 25. Date of Next Meeting**
26 November 2024 via MS Teams