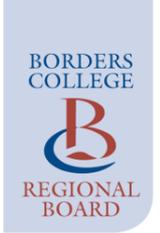


# A



## Audit Committee

Meeting at 17:00 on Thursday 9 February 2017

Location: Board Room, Scottish Borders Campus, Galashiels

### Actions

Item	Action	Responsibility and Date
11/16	The final procedure for the IT user account leavers will be issued to the Committee.	P Smith
08/17	Procurement Strategy 2016-2020 - Typing error within paragraph 3.2.4 to be corrected.	P Smith

## Audit Committee

**Meeting at 17:00 on Thursday 9 February 2017**

**Location: Board Room, Scottish Borders Campus, Galashiels**

### MINUTES

ITEM	MINUTES
Present	Jane Martin (Chair) Ian Ireland Bryan McGrath Andries Fourie
In Attendance	Peter Smith (Vice Principal – Finance & Resources) Angela Cox (Principal) David Killean (Board Secretary) Stephen Pringle (Wylie & Bisset) David Eardley (Scott-Moncrieff) Lorraine Sulo (Secretary)
	Audit Committee members met with the internal and external auditors prior to the commencement of business.
<b>01/17</b>	<p><b><u>Chair’s Welcome</u></b></p> <p>J Martin welcomed newly appointed external auditors, Scott-Moncrieff, to the meeting.</p> <p>D Eardley, Engagement Lead, provided an overview of the firm and the audit team which would also include Michael Lavender, Audit Manager. Recognised specialists will also be involved in the audit process when required. D Eardley advised that an audit plan would be brought to the next meeting for discussion.</p>
<b>02/17</b>	<p><b><u>Declaration of Conflict of Interest</u></b></p> <p>A Fourie declared a conflict of interest with regards to agenda item 07/17.</p>
<b>03/17</b>	<p><b><u>Register of Members Interest</u></b></p> <p>D Killean advised that he was not aware of any changes.</p>
<b>04/17</b>	<p><b><u>Apologies for Absence</u></b></p> <p>Apologies were received from Steven Ker and Kevin Armstrong.</p>

05/17	<p><b><u>Minutes of Meeting held on Thursday 24 November 2017 &amp; ISLT Meetings – Paper A</u></b></p> <p>The minutes of the previous meetings were approved as a true and accurate record.</p>
06/17	<p><b><u>Matters Arising</u></b></p> <p>11/16 A copy of the final procedure for the IT user account leavers will be issued to the Committee. <b>Action: PS</b></p> <p>53/16 The Annual Report of the Audit Committee had been updated by S Ker.</p> <p>55/16 P Smith had completed the Disclosure Compliance Audit actions.</p> <p>56/16 Meetings with the Head of ISLT to discuss the outstanding internal audit points had been held.</p> <p>D Killean advised that he had considered the three different self-evaluation tools which B Hood had been working on but recommended that a different approach is taken. He would like to see a facilitated opportunity to discuss the functioning and evaluation of the Regional Board sub-committees when the new Clerk to the Board is appointed.</p> <p>59/16 Clarification on the sickness absence figures had been confirmed and circulated to the Committee by P Smith.</p>
07/17	<p><b><u>Internal Audit Assignment – Commercial Income Structure – Paper B</u></b></p> <p>S Pringle presented the findings of the College’s commercial income structure audit which considered whether the income currently generated by the Business Development Unit (BDU) could be more efficiently managed by a limited company.</p> <p>The review considered a number of areas including VAT issues; corporation tax issues; service level agreements; staff structure and potential costs.</p> <p>The overall conclusion found that the BDU was being operated and managed in the most beneficial way for the College. S Pringle advised that the costs of running a subsidiary company outweighed any potential benefits.</p> <p>The Committee agreed that this had been a worthwhile audit given the number of areas it had reviewed and approved the recommendation that no change be made to the current structure.</p>

<p><b>08/17</b></p>	<p><b><u>Procurement Strategy 2016-2020 – Paper C</u></b></p> <p>P Smith presented the Procurement Strategy 2016-2020 paper which incorporated the Colleges new Strategic Plan; current procurement legislation and best practice model from the Advanced Procurement for Universities and Colleges (APUC). He advised that as the College’s level of regulated spend was below £5M per annum, there was no obligation to publish a procurement strategy and action plan however, it was considered best practice to do so.</p> <p>I Ireland highlighted a typing error within paragraph 3.2.4 for correction. <b>Action: PS</b></p> <p>The Committee agreed that it was a very robust strategy and confirmed its approval.</p>
<p><b>09/17</b></p>	<p><b><u>Risk Register – Paper D</u></b></p> <p>P Smith presented the current Risk Register and advised that the updated Risk Register would be discussed by the Regional Board at the next meeting on 2 March 2017.</p> <p>S Pringle advised that Wyllie &amp; Bisset would be undertaking an internal audit on the College’s risk management next week which would include a review of the risk register.</p> <p>The Committee noted that work was in progress to revise the Risk Register following the recent Regional Board review. No further additions were requested.</p>
<p><b>10/17</b></p>	<p><b><u>Procurement Practices &amp; Value for Money – Paper E</u></b></p> <p>P Smith provided an update with regards to activities in ensuring best practice and value for money in the College’s procurement function.</p> <p>He advised that the College is no longer subject to a mandatory Procurement Capability Assessments (PCA) Programme however, a voluntary programme under the Operational Procurement Review framework to ensure best practice is scheduled to take place in late April/May 2017. The recommendations from the report will be brought to the Committee.</p> <p>The Committee noted the content of the report.</p>

11/17	<p><b><u>Monitoring Internal Audit Follow-up Review – Paper F</u></b></p> <p>P Smith presented the Internal Audit Follow-up Review which provided an update on progress with recommendations from previous Internal Audit Reports.</p> <p>He advised that the standstill period for the ISLT infrastructure tender would come to a close on Friday 17 February. Work to agree a project plan would then begin with the successful bidders.</p> <p>B McGrath asked S Pringle for further information on the grading of the internal audit recommendations. S Pringle confirmed that high priority recommendations should be met immediately with low recommendations usually being small administrative requirements. Completion dates are reviewed through the Follow-up Review and looked at on an individual basis. B McGrath commented on the inclusion of the revised date column which was an improved version.</p> <p>The Committee noted the content of the report.</p>
12/17	<p><b><u>Any Other Business</u></b></p> <ul style="list-style-type: none"> <li>• Internal Audit Follow-ups</li> </ul> <p>A Fourie raised that the individual meetings with the Head of ISLT had been very worthwhile in order for the Committee to fully understand the various areas. The Committee agreed that further discussions with Managers would be of benefit. P Smith advised that he would take the view of the Chair if a manager was required to attend future meetings.</p>
13/17	<p><b><u>Date of Next Meeting</u></b></p> <p>The date of the next Audit Committee meeting will take place on Thursday 18 May 2017 at 5pm.</p>

Signed..... Signed.....  
Chairman Clerk to the Board