

Audit Committee

Meeting at 17:00 on Thursday 11 May 2017

Location: Board Room, Scottish Borders Campus, Galashiels

Actions

Item	Action	Responsibility and Date
22/17	PECOS - Further clarification on the restrictions to suppliers being registered will be sought.	P Smith
25/17	<p>Internal Monitoring Review Paper – the paper will be updated in line with the recent Internal Audit Follow up Review.</p> <p>PIN Codes Smart Devices – An update on progress will be provided to the Committee by the Head of ISLT.</p> <p>Conflicts of Interest, Corporate Governance – Progress with the Register of Interests document will be followed-up by the Board Secretary.</p> <p>Endpoint Control Solution – An update on progress will be issued to the Committee in advance of the September Audit Meeting.</p> <p>Data Retention, Student Funding Application System – Clarification on whether the policy has been completed will be sought.</p>	<p>L Sulo</p> <p>F Wight</p> <p>D Killean</p> <p>F Wight</p> <p>D Killean</p>
26/17	College's 2015/16 accounts - Committee members to review last year's accounts and advise the Chair of any significant risks.	All Committee Members

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MINUTES

ITEM	MINUTES
Present	Steven Ker Jane Martin Ian Ireland Bryan McGrath Kevin Armstrong (Student member)
In Attendance	Peter Smith (Vice Principal – Finance & Resources) David Killean (Interim Board Secretary & Vice Principal – Quality & Innovation) Scott McCready (Wylie & Bisset) Michael Lavender (Scott-Moncrieff) Lorraine Sulo (Secretary)
	Audit Committee members met with the internal and external auditors prior to the commencement of business.
14/17	<u>Chair's Welcome</u> The Chair welcomed S McCready of Wylie & Bisset, and M Lavender of Scott-Moncrieff to their first Audit Committee meeting.
15/17	<u>Declaration of Conflict of Interest</u> S McCready declared an interest with regards to item 27/17, Internal Audit Contract, paper I.
16/17	<u>Register of Members Interest</u> D Killean advised that he was not aware of any changes.
17/17	<u>Apologies for Absence</u> No apologies had been received. D Killean advised that staff representative, A Fourie, had resigned from the College Board, therefore, the post would be advertised.

18/17	<p><u>Minutes of Meeting held on Thursday 9 February 2017 – Paper A</u></p> <p>The minutes of the previous meetings were approved as a true and accurate record.</p>
19/17 11/16 08/17	<p><u>Matters Arising</u></p> <p>The IT user account leavers procedure had been issued to the Committee by P Smith.</p> <p>P Smith confirmed that the corrections to the Procurement Strategy 2016-2020 had been completed and the strategy published.</p>
20/17	<p><u>Internal Audit Assignment – Risk Management – Paper B</u></p> <p>S McCready presented the findings of the Risk Management internal audit which concluded that the College has strong risk management arrangements in place.</p> <p>Five areas of good practice were identified with one low level recommendation that the College continue with the plan to provide risk management training to all staff members.</p> <p>The Committee approved the report and management responses.</p>
21/17	<p><u>Internal Audit Assignment - Curriculum Planning – Paper C</u></p> <p>S McCready presented the findings of the Curriculum Planning Internal Audit which concluded that the College has strong curriculum planning arrangements in place and that these are in line with the College objectives.</p> <p>There was one medium-level recommendation regarding the completion of timetables for courses and staff allocation which currently is a very onerous and time consuming task. P Smith confirmed that the College was progressing with the purchase of new timetabling planning software which was due to be implemented for the 2017/18 academic year.</p> <p>K Armstrong highlighted that the audit had not included any consultation with students. The Committee agreed that student involvement should always be considered when internal audit assignments are being planned and this was acknowledged by S McCready.</p> <p>The Committee approved the report and management responses.</p>

<p>22/17</p>	<p><u>Internal Audit Assignment – Purchases & Procurement – Paper D</u></p> <p>S McCready presented the findings of the Purchases and Procurement Internal Audit which concluded that the College has strong controls in place and ensures it is achieving value for money.</p> <p>The report identified one medium recommendation which highlighted the requirement for performance management of the College’s contracted suppliers. This task would form part of the Procurement Officer’s role. P Smith advised that the action plan of the College’s internal Procurement Advisory Committee also addressed suppliers’ KPIs.</p> <p>The low level recommendation was to ensure that the information on the Hunter Register of Contracts was updated and current.</p> <p>A discussion took place on the College’s e-purchasing system, PECOS. Further clarification on the restrictions to every supplier being registered on to PECOS will be sought.</p> <p style="text-align: right;">ACTION: P Smith</p> <p>The Committee approved the report and management responses.</p>
<p>23/17</p>	<p><u>Internal Audit Assignment - Payroll – Paper E</u></p> <p>S McCready presented the findings of the Payroll Internal Audit which assessed the design and effectiveness of the key payroll controls, and received a strong overall conclusion.</p> <p>One medium level recommendation was made which had already been addressed by management.</p> <p>S McCready acknowledged an error on Page 3 which should have read that there was no limitation of scope.</p> <p>The Committee approved the report and management responses.</p>
<p>24/17</p>	<p><u>Internal Audit Assignment – Learning Support – Paper F</u></p> <p>S McCready presented the findings of the Learning Support Internal Audit which concluded that the College has strong arrangements in place for providing learning support to students across the College.</p> <p>Ten areas of good practice were identified with no recommendations made.</p> <p>The Committee noted that this was a very encouraging report given that the Learning Support team were newly formed.</p> <p>The Committee approved the report.</p>

25/17

Internal Audit Assignment – Follow up Review – Paper G

S McCready presented the findings of the Follow up Review.

The Committee reviewed the recommendations which were yet to be implemented along with the partially implemented recommendations. The internal monitoring review (paper K) would be updated accordingly for the September Audit Committee.

ACTION: L Sulo

The following points were noted:

- Business Impact Analysis, Student Funding Application System – The format of the analysis report had recently been agreed with the Lead Auditor and a completion date of 30 June 2017 set.
- PIN Codes Smart Devices – An update on progress will be provided to the Committee by the Head of ISLT. **ACTION: F Wight**
- Conflicts of Interest, Corporate Governance – Progress with the Register of Interests document will be followed-up by the Board Secretary who also advised that improvements to the tracking of updates will be made. **ACTION: D Killean**
- Endpoint Control Solution – An update on progress will be issued to the Committee in advance of the September Audit Meeting. **ACTION: F Wight**
- Manual Systems – A new timetabling system is due to be implemented for the new academic year. This was also discussed under item 21/17.
- Data Retention, Student Funding Application System – There was a discrepancy as to whether the policy had been completed, therefore, clarification would be sought. **ACTION: D Killean**

The Committee approved the report and management responses.

26/17	<p><u>Draft External Audit Plan – Paper H</u></p> <p>M Lavender, Scott-Moncrieff, outlined the responsibilities of the external auditor; the audit strategy; the planned audit work and approach and proposed outputs and timetable. He advised that the audit of the College would be carried out under the small body provisions of the Code of Audit Practice. This conclusion was reached through assessment of the relative size of the College; the relative simplicity of the College’s functions and the College’s risk profile, as informed through discussions with officers.</p> <p>Scott-Moncrieff’s initial assessment of materiality for the annual accounts is £200,000, being 1.7% of the College’s 2015/16 income.</p> <p>Committee members were requested to review the College’s 2015/16 accounts and advise the Chair of any significant risks.</p> <p style="text-align: right;">ACTION: All</p> <p>A review of fee setting arrangements had been completed by Audit Scotland and the expected fee for 2016/17 for the College’s audit was £14,750.</p> <p>The Committee approved the audit plan and fee.</p>
27/17	<p><u>Internal Audit Contract – Paper I</u></p> <p><i>S McCready left the meeting.</i></p> <p>P Smith provided an overview of the approval paper advising that the College’s current internal audit contract was in the final year of its five year duration. The contract contained the option to extend for a further two years at the conclusion of the initial term.</p> <p>The Committee considered the performance of Wylie & Bissett over the past five years with the Committee agreeing this had been of a high quality service. The audits over the past five years had covered all key areas of the College with a number of recommendations within the Follow-up report which required further work. The Committee agreed that changing auditors at this stage would not add value.</p> <p>The Committee also considered the number of days allocated to internal audit assignments given the College’s overall resourcing position and agreed to reduce this from the current 30 days to a minimum of 20 days per annum with the option to increase if required.</p> <p>The Committee approved the extension of the internal audit contract to Wylie & Bissett for a further two years to July 2019. Re-tendering would begin in February 2019.</p> <p><i>S McCready returned to the meeting.</i></p>
28/17	<p><u>Strategic Risk Register – Paper J</u></p> <p>The Committee considered the Strategic Risk Register and focussed on Risks 5a and 5c with both remaining at the current ratings.</p>

29/17	<p><u>Monitoring Internal Audit Follow-up Review – Paper K</u></p> <p>This paper was reviewed along with Paper G under item 25/17.</p>
30/17	<p><u>Any Other Business</u></p> <p>No other items were raised for discussion.</p>
31/17	<p><u>Date of Next Meeting</u></p> <p>The date of the next Audit Committee meeting will take place on Thursday 21 September 2017 at 5pm.</p>

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