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Audit Committee

Meeting at 5.00 pm on Thursday 11 February, 2016

Location: Board Room, Scottish Borders Campus, Galashiels

Actions

Item	Action	Responsibility and Date
07/16	Regional Board to receive details of new Anti-Bribery Policy at the next Regional Board meeting.	P Smith
11/16	Head of ISLT to provide rationale for decisions on PIN Codes Smart Devices and Endpoint Control Solution. Removal of Leavers from IT Systems – recommendation of an additional check which should consist of a regular report of all users being produced by ISLT and checked back to personnel records by HR.	P Smith P Smith

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MINUTES

ITEM	MINUTES
Present	Steven Ker (Chair) Ian Ireland Jane Martin Brian Jamieson
In Attendance	Peter Smith Paul Urquhart (Wylie & Bisset) Angela Pieri (Grant Thornton) Brian Hood (Clerk to the Board) Lorraine Sulo (Secretary)
	Audit Committee members met with the internal and external auditors prior to the commencement of business, no members of the College executive were present.
01/16	<u>Chairman's Welcome</u> S Ker welcomed everyone to the meeting.
02/16	<u>Declaration of Conflict of Interest</u> There were no declarations.
03/16	<u>Register of Members Interest</u> There were no declarations.
04/16	<u>Apologies for Absence</u> Apologies were received from B McGrath and A Fourie.
05/16	<u>Minutes of Meeting held on Tuesday 26 November, 2015</u> The minutes of the previous meeting were approved as a true and accurate record.
06/16	<u>Matters Arising</u> All actions were completed.

07/16	<p><u>Anti-Bribery Policy – Paper B</u></p> <p>P Smith presented the new Anti-Bribery Policy Paper which was in addition to the College’s Anti-Fraud & Corruption Policy. This new policy now provides much more specific detail to the College’s approach to meeting its obligations under the Bribery Act. The following additions were also made:</p> <p>a) Point 3.3 – Reference to Board Members to be included b) Point 2.6 – The word “Act” to be added in following the wording “Sections 1, 2 or 6”</p> <p>The Committee approved the content of the Policy subject to the above minor changes and agreed that it would also be of benefit for the Regional Board to receive details of this new policy paper at the next Regional Board meeting.</p> <p style="text-align: right;">ACTION: PS</p>
08/16	<p><u>Internal Audit Assignment – Corporate Governance – Paper C</u></p> <p>P Urquhart presented the findings of the Internal Audit Assignment on the College’s Corporate Governance arrangements which concluded the arrangements as “strong” with two low level recommendations which were being addressed.</p> <p>The Committee noted the contents of the report.</p>
09/16	<p><u>Internal Audit Assignment – Income Collection & Credit Control – Paper D</u></p> <p>P Urquhart presented the findings of the Internal Audit Assignment on the College’s Income Collection and Credit Control arrangements which concluded the arrangements as “strong”.</p> <p>The Committee noted the contents of the report.</p>
10/16	<p><u>Internal Audit Assignment – Performance Management & Review – Paper E</u></p> <p>P Urquhart presented the findings of the Internal Audit Assignment on the College’s Performance Management and Review arrangements which concluded the arrangements as “strong” with one low level recommendation.</p> <p>The Committee noted the contents of the report.</p>
11/16	<p><u>Internal Audit Follow-up Review</u></p> <p>P Urquhart presented the findings of the Internal Auditor’s Report on the follow-up review of previous audit assignments which showed an overall conclusion as “Substantial” with some outstanding issues which were discussed as follows:</p> <p>Superseded Recommendations</p>

1. CRMS – College management feel that the system is being utilised as far as practically possible within the college. The Audit Committee agreed that this point could be removed from the Audit Action Plan.
2. PIN Codes Smart Devices – The College are not planning on implementing PIN Codes as part of security. Prior to this point being removed from the Audit Action Plan as recommended the Audit Committee requested further information from the Head of ISLT as to the rationale for this decision.
ACTION: PS
3. Endpoint Control Solution – The College will not be purchasing an endpoint control solution. Prior to this point being removed from the Audit Action Plan as recommended the Audit Committee requested further information from the Head of ISLT as to the rationale for this decision.
ACTION: PS
4. Asset Management – All assets are covered by the current separate systems which are in place. The Audit Committee agreed that this point could be removed from the Audit Action Plan.

Not Implemented Recommendations

1. Web Filtering Protection – The Audit Committee were satisfied with the Management response which will be implemented by 31 Dec 2016.
2. Estates Strategy – The Estates Strategy is being development in line with the new Corporate Plan.
3. Removal of Leavers from IT Systems – The Audit Committee recommended an additional check which should consist of a regular report of all users being produced by ISLT and checked back to personnel records by HR.
ACTION: PS
4. Remote Access to Network Shares – P Smith confirmed that the secure connection from HTTP to HTTPS had been completed.
5. IT Security Policy – P Smith confirmed that the Security Policy is being incorporated within the College’s ISLT Strategy which will be presented at the next Regional Board meeting.

Partially Implemented Recommendations

1. Sensitive Data Storage – The Audit Committee noted the Management Response that ‘Credit/Debit Card Payment Details Forms’ will be changed to incorporate tear-off slips as soon as possible and the College will work with the card machine provider to take further actions as and when possible to ensure primary account numbers (PAN) are masked. In the meantime the College will mark the PANs unreadable with black marker.
2. Asset Management Training – The Audit Committee noted the Management response that one faculty will be reminded to bring their asset register up to date.

	<p>3. Raising Purchase Orders – The Audit Committee noted the Management response that a phased implementation of the PECOS system continues.</p> <p>4. Manual Systems - The Audit Committee noted the Management response that a timetabling system will be included as part of the management information systems within the new ISLT Strategy.</p>
12/16	<p><u>Risk Register – Paper G</u></p> <p>P Smith updated the Committee on actions being taken to mitigate the College’s risks and informed the Committee that Management have since considered the Register and have recommended the following changes:</p> <ul style="list-style-type: none"> • Risk 2g – new risk reflecting current issues in attracting suitably qualified staff, particularly in computing; • Risk 11b – updated narrative regarding sourcing of new premises for Engineering. <p>The Committee approved the risk register along with the recommendations outlined above.</p>
13/16	<p><u>Insurance Act 2015</u></p> <p>P Smith updated the Committee on changes to the College’s insurance arrangements as a result of the Insurance Act 2015.</p> <p>The Committee noted the principle changes.</p>
14/16	<p><u>Any Other Business</u></p> <p>A Pieri advised that the External Audit Plan will be presented to the Committee at the next meeting in May.</p>
15/16	<p><u>Date of Next Meeting</u></p> <p>The next meeting will be held on Thursday 19 May, 2016 at 5pm in the Board Room at the Scottish Borders Campus.</p>

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