

Audit Committee

Meeting at 17:00 on Thursday 24 November, 2016

Location: Board Room, Scottish Borders Campus, Galashiels

Actions

Item	Action	Responsibility and Date
11/16	P Smith confirmed that the final procedure for the IT user account leavers had been finalised. A copy of which would be e-mailed to the Committee.	P Smith
53/16	Annual Report of the Audit Committee - S Ker advised that there would be an addition to point 6.1 which he would clarify and update the report accordingly.	S Ker
55/16	Disclosure Compliance Audit – P Smith will confirm how often the compliance audit is performed and whether the recommendations are complete and actioned.	P Smith
56/16	Monitoring Internal Audit Follow-up Review – A follow-up conference call will be arranged with the Head of ISLT to discuss the outstanding internal audit points. The meeting note will be attached as an addendum. S Ker will discuss the Board’s self-evaluation with T Jakimciw prior to the December Regional Board meeting.	L Sulo S Ker
59/16	Borders College Annual Accounts - clarification on the sickness absence figures will be sought. P Smith agreed to revise Page 14 in line with the comments raised.	P Smith P Smith

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MINUTES

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Present	Steven Ker (Chair) Ian Ireland Jane Martin Bryan McGrath Andries Fourie
In Attendance	Members of the F&GP Committee who joined for items 58/16 & 59/16 Elaine Acaster Tony Jakimciw Liz Parkes Liz McIntyre Andy Winwood David Peace Nicola McIlwraith Peter Smith (Vice Principal – Finance & Resources) Ricky Meechan (Wylie & Bisset) Angela Pieri (Grant Thornton) Jackie Bellard (Grant Thornton) Lorraine Sulo (Secretary)
	Audit Committee members met with the Head of ISLT followed by the internal and external auditors prior to the commencement of business.
46/16	<u>Chairman's Welcome</u> S Ker welcomed everyone to the meeting.
47/16	<u>Declaration of Conflict of Interest</u> There were no declarations of conflict of interest.
48/16	<u>Register of Members Interest</u> There were no declarations of Members Interests.
49/16	<u>Apologies for Absence</u> Apologies were received from Kevin Armstrong.

50/16	<p><u>Minutes of Meeting held on Thursday 22 October, 2016 – Paper A</u></p> <p>The minutes of the previous meeting were approved as a true and accurate record.</p>
<p>51/16</p> <p>11/16</p> <p>40/16</p> <p>42/16</p> <p>43/16</p>	<p><u>Matters Arising</u></p> <p>P Smith confirmed that the final procedure for the IT user account leavers had been finalised, a copy of which would be e-mailed to the Committee. Action: PS</p> <p>S Ker advised that a final check was being done on appointment dates.</p> <p>P Smith advised that work is in progress to revise the Risk Register following the recent review.</p> <p>The Internal Monitoring Review had been updated but clearer column titles will be included to show the date set by the Internal Auditors and any revised dates which are set by the College.</p>
52/16	<p><u>Internal Audit Assignment – FES (Credits) Audit 2016 – Paper B</u></p> <p>R Meechan presented the findings of the internal audit on the College's student data return with one low level recommendation made, which has been actioned by the responsible officer.</p> <p>J Martin highlighted the overall conclusion area and the wording which states that the College is satisfactory in most areas, which suggests a poorer result than the one low level recommendation which was made. R Meechan noted the point and advised that this was standard report wording.</p> <p>The report confirms that the College has complied with all relevant guidance in completing the return and that the return is free from material mis-statement.</p> <p>The Committee noted the content of the report.</p>
53/16	<p><u>Annual Report of the Audit Committee to the Regional Board – Paper C</u></p> <p>P Smith presented an update of the report previously presented to the Committee on 22 September.</p> <p>S Ker advised that there would be an addition to point 6.1 which he would clarify and update the report accordingly. Action: SK</p> <p>A Pieri highlighted that the report includes the external audit opinion however this opinion was not yet finalised.</p> <p>The Committee approved the report subject to the above points.</p>

54/16	<p><u>Risk Register</u></p> <p>The Committee noted that work is in progress to revise the Risk Register following the recent Regional Board review.</p>
55/16	<p><u>Disclosure Compliance Audit – Paper D</u></p> <p>P Smith presented the findings of an audit carried out by Disclosure Scotland in May 2016 of the College’s Disclosure procedures and documentation. The assurance level was set at partially compliant.</p> <p>The Committee requested confirmation on the following points:</p> <ul style="list-style-type: none"> • how often the compliance audit is performed; • confirmation that the recommendations are complete and actioned. <p>Action: PS</p> <p>The Committee noted the content of the report.</p>
56/16	<p><u>Monitoring Internal Audit Follow-up Review – Paper E</u></p> <p>S Ker advised that a separate meeting had been held with the Head of ISLT to discuss the outstanding ISLT internal audit points. A follow-up telephone conference call will be held with F Wight and the meeting note attached as an addendum. Action: LS</p> <p>S Ker will discuss the Board’s self-evaluation with T Jakimciw prior to the December Regional Board meeting. Action: SK</p>
57/16	<p><u>Any Other Business</u></p> <p>B McGrath advised that the separate meeting with the Head of ISLT (under 56/16) had been a helpful discussion however, he still had some concerns which he would discuss further with the Chair.</p>
58/16	<p><u>External Audit Report – Paper F</u></p> <p>J Bellard and A Pieri presented the Committee with the report from the External Auditors on the audit of the financial statements of Borders College for the year 2015/16 (12 months ending July 2016).</p> <p>J Bellard provided an overview of the executive summary and noted the audit opinion would be presented to the Regional Board on the 8 December 2016. J Bellard advised that the questionnaire for Audit Scotland had been issued.</p> <p>A Pieri advised that due to the FRS102 conversion the new statements were in a new format. The following points were highlighted:</p> <ul style="list-style-type: none"> • Application of Materiality – important to note trivial level has been set at £12,000; • Key estimations – no major issues; • Going Concern - important to note deficit position which is due to ‘technical’ requirements for pensions accounting required;

	<ul style="list-style-type: none"> • The Borders Further Education Trust (Arm's Length Trust) has been reviewed to ensure it is independent and confirmed satisfactory; • A letter of representation has been requested from the College (a draft is shown at Appendix D); <p>J Bellard and A Pieri thanked the College and the Finance Department for their prompt responses throughout the audit. The Committee also expressed their appreciation of the work carried out by Grant Thornton during their final year of appointment and for the work delivered by the College's Finance Department.</p> <p>The Committee agreed to recommend approval of the External Audit Report at the Regional Board meeting on the 8 December 2016.</p>
59/16	<p><u>Borders College Annual Accounts – Paper G</u></p> <p>P Smith presented the Committee with the final audited group accounts for the College and asked them to consider the financial statements and recommend approval of the accounts to the Regional Board on the 8 December.</p> <p>The Committee requested clarification on the sickness absence figures, which stated 8.1 days were lost per FTE during 2015-16. Action: PS</p> <p>E Acaster referred to page 14 (1st paragraph). She highlighted that at the previous F&GP meeting the Committee was pleased to see that the projected deficit of £65k from the May 2016 budget review had moved by £163k to a surplus of £98k, however, this was not apparent in the accounts. P Smith agreed to revise the paragraph accordingly. Action: PS</p> <p>A Pieri highlighted the wording on the front cover's Executive Summary and advised that Grant Thornton intended to give a true and fair view of the state of affairs of the College. P Smith noted this point.</p> <p>The Committee agreed to recommend approval of the Accounts subject to the revision above to the Board meeting on the 8 December 2016.</p>
60/16	<p><u>Date of Next Meeting</u></p> <p>The date of the next Audit Committee meeting will take place on Thursday 9 February 2017 at 5pm.</p>

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