

## Audit Committee

Meeting at 17:30 on Wednesday 16 May 2018

Location: Board Room, Scottish Borders Campus, Galashiels

### Actions

Item	Action	Responsibility and Date
17/18	Register of Interests to be updated accordingly.	Board Secretary
61/17	Campus Lifecycle Trust Fund - Formal confirmation from Heriot Watt University regarding account signatory would continue to be pursued.	VP Finance & Corporate Services
22/18	Draft Internal Audit Plan 2018-19 - further details on the proposed assignments for Payroll and External Lettings to be provided.	VP Finance & Corporate Services / Wylie & Bisset
26/18	Follow-up Review - Payroll - Recommendation that management checks are completed in order to ensure procedures are being followed. The process to disable system access for staff leavers should also apply to Board Members.	VP Finance & Corporate Services
28/18	Details of the CDN on-line training module for Audit Committee members will be re-issued.	Board Secretary

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### MINUTES

ITEM	MINUTES
Present	Steven Ker (Chair) Ian Ireland Bryan McGrath
In Attendance	Stephen Pringle (Internal Auditors, Wylie & Bisset) David Eardley (External Auditors, Scott-Moncrieff) James Ayling (Board Secretary) Peter Smith (Vice Principal – Finance & Resources) Lorraine Sulo (Minutes)
	Audit Committee members met with the internal and external auditors prior to the commencement of business.
<b>15/18</b>	<b><u>Chairman's Welcome</u></b>  The Chair welcomed everyone to the meeting.
<b>16/18</b>	<b><u>Declaration of Conflict of Interest</u></b>  No conflicts of interest were raised.
<b>17/18</b>	<b><u>Register of Members' Interests</u></b>  The Chair advised that he had been appointed as Treasurer for Peebles Football Club. Board Secretary confirmed that the register would be updated accordingly.  <b>Action: Board Secretary</b>
<b>18/18</b>	<b><u>Apologies for Absence</u></b>  Apologies had been received from J MacKenzie and J Gaddie. Following the resignation of E Smith, a new Student President had been appointed and would be starting their post in June.
<b>19/18</b>	<b><u>Minutes of Meeting held on 6 February 2018 – Paper A</u></b>  The minutes of the previous meeting were approved as an accurate record.

<p><b>20/18</b></p> <p><b>61/17</b></p> <p><b>07/18</b></p> <p><b>09/18</b></p> <p><b>10/18</b></p>	<p><b><u>Matters Arising</u></b></p> <p>Campus Lifecycle Trust Fund - Formal confirmation from Heriot Watt University regarding account signatory was still being pursued, however, it was hoped this would be rectified at a forthcoming meeting. <b>Action: VP F&amp;CS</b></p> <p>The Web Filtering Protection and Endpoint Control Solution actions had been addressed under the Internal Audit Follow-up Review report.</p> <p>The two minor changes to the Marketing Internal Audit Assignment report had been completed by Wylie &amp; Bisset.</p> <p>Strategic Risk Register – consideration on the impact of Borderlands on risk 1c had been completed with no significant risks identified.</p>
<p><b>21/18</b></p>	<p><b><u>Draft External Audit Plan – Paper B</u></b></p> <p>The External Audit Plan for 2017/18 which was prepared by Scott-Moncrieff following discussions with the VP Finance &amp; Corporate Services and the Head of Finance was presented to the Committee by D Eardley who provided an overview highlighting the key audit risks, financial sustainability and materiality assessment. Where required work is co-ordinated along with internal audit.</p> <p>A review of the fee setting arrangements had been completed by Audit Scotland with a total audit fee for 2017/18 confirmed at £14,720, however, Scott-Moncrieff reserve the right to charge an additional fee for any other significant exercises which may not be within the planned audit activity.</p> <p>The Committee confirmed its approval of the audit plan and fee of £14,720.</p>
<p><b>22/18</b></p>	<p><b><u>Draft Internal Audit Plan 2018-19 – Paper C</u></b></p> <p>S Pringle provided an overview of the draft internal audit plan seeking input from the Committee on areas of audit for 2018/19. It was acknowledged that this was a first draft and had not been discussed in detail with the VP Finance &amp; Corporate Services.</p> <p>The Committee agreed with the overall structure of the plan but requested further details on the proposed assignments for Payroll and External Lettings.</p> <p><b>Action: W&amp;B VP F&amp;CS</b></p>

23/18	<p><b><u>Internal Audit Assignment – Fixed Asset Management - Paper D</u></b></p> <p>The Fixed Asset Management internal audit was presented by S Pringle who reported on a strong level of assurance over the controls in place. Two low level grade recommendations for improvement were identified along with thirteen areas of good practice.</p> <p>The Committee approved the report and congratulated the staff members involved.</p>
24/18	<p><b><u>Internal Audit Assignment – Curriculum Planning – Course Costing - Paper E</u></b></p> <p>S Pringle provided an overview of the Curriculum Planning Course Costing audit which confirmed a strong level of assurance over the controls which were in place. Two low level grade recommendations were identified with one already actioned. Five areas of good practice were also identified.</p> <p>The Committee approved the report.</p>
25/18	<p><b><u>Internal Audit Assignment – Budgetary &amp; Financial Control - Paper F</u></b></p> <p>S Pringle provided an overview of the Budgetary &amp; Financial Control audit which confirmed a strong level of assurance over the controls which were in place. One low level grade recommendation was identified along with nine areas of good practice.</p> <p>The Committee approved the report.</p>
26/18	<p><b><u>Internal Audit Assignment – Follow-up Review - Paper G</u></b></p> <p>S Pringle provided an overview of the Follow-up Review which assessed whether the College had implemented the internal audit recommendations made in 2016/17 and earlier years. The report concluded that the College had endeavoured to implement recommendations as far as possible with seven partially implemented recommendations and twelve fully implemented recommendations.</p> <p>The Committee discussed the findings from the Payroll audit and recommended that management checks were completed in order to ensure that the correct procedures were being followed, given that the audit sampling had highlighted some anomalies. The Committee also highlighted that the process to disable system access for staff leavers should also apply to Board Members who leave.</p> <p style="text-align: right;"><b>Action: VP F&amp;CS</b></p> <p>The Committee approved the report subject to the points raised.</p>
27/18	<p><b><u>Strategic Risk Register – Paper H</u></b></p> <p>VP Finance &amp; Corporate Services updated the Committee on a number of changes which had been made to the Strategic Risk Register following thorough consideration by the Executive Team on 1 May 2018.</p> <p>The Committee approved the paper.</p>

28/18	<p><b><u>Any Other Business</u></b></p> <p>Board Secretary highlighted the recent CDN on-line training module for Audit Committee members. Further details would be e-mailed to members.</p> <p style="text-align: right;"><b>Action: Board Secretary</b></p>
29/18	<p><b><u>Date of Next Meeting</u></b></p> <p>The next Audit Committee meeting will take place on Thursday 20 September 2018 at 17:30 in the Board Room, Scottish Borders Campus.</p>

Signed..... Signed.....

**Chairman**

**Board Secretary**