

Audit Committee

Meeting at 17:30 on Thursday 20 May 2021
MS Teams

Actions

Item	Action	Responsibility and Date	Action Status
26/21	<p>Procurement Policy</p> <ul style="list-style-type: none"> - Competitive Tendering (page 9) – the use of ‘appropriate’ within this paragraph was queried. - Measurement of objectives and success to be given further consideration. 	VP Finance & Corporate Services	Updated for tendering. Proposal for KPIs will be provided in next procurement report
27/21	Strategic Risk Register to be reviewed by The Executive Team at the end of May 2021.	VP Finance & Corporate Services	Completed
30/21	Monitoring Internal & External Audit Follow up Report – discrepancies between reports and clarity on dates to be followed up.	VP Finance & Corporate Services	Completed
31/21	Cyber Security Update - Clarification required on page 2 timeline of April 2021 and page 4 timeline of March 2022.	Head of ISLT / VP Finance & Corporate Services	Will be clarified in next report to Committee

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MINUTES

ITEM	MINUTES
Present	Paul Scrimger (Chair) Carol Gillie David Johnson Ann Letham Bryan McGrath
In Attendance	Angela Cox (Principal) Ingrid Earp (Regional Board Secretary) David Eardley (Azets) Scott McCready (Wylie & Bisset) Lorraine Sulo (Minutes)
	Members met with the auditors separately prior to the start of the meeting.
17/21	<u>Chair's Welcome</u> The Chair welcomed everyone to the meeting.
18/21	<u>Declaration of Conflict of Interest</u> There were no declarations of any conflict of interest.
19/21	<u>Register of Members' Interests</u> No items were raised.
20/21	<u>Apologies for Absence</u> Apologies had been received from Jen MacKenzie, Support Staff Member, and Hazel Robertson, VP Finance and Corporate Services.
21/21	<u>Minutes of Meeting held on Thursday 4 February 2021 – Paper A</u> The minutes from the previous meeting held on 4 February 2021 were approved.
22/21	<u>Matters Arising</u> There were no matters arising or further comments on the actions from the previous meeting.

23/21	<p><u>Draft External Audit Plan 2020-21 – Paper B</u></p> <p>The External Audit Plan for 2020-21 which was prepared by Azets following discussions with the College was presented to members by D Eardley.</p> <p>The core elements of the audit would include:</p> <ul style="list-style-type: none"> • the 20/21 annual report and accounts and related matters; • the College’s arrangements for governance and transparency, financial management, financial sustainability and value for money and • the College’s participation in the National Fraud Initiative and any other work requested by Audit Scotland. <p>D Eardley advised that due to the uncertainty of when the current COVID-19 restrictions would end, the assumption was that this year’s audit would be carried out remotely, however, this would depend on guidance nearer the time. The audit fee reflected the level of work which was required in response to the key audit risks identified.</p> <p>In response to a question from a Member, the Restricted Wider Scope Audit and the Code of Audit Practice was explained. The recognition of a material uncertainty around asset valuation in response to COVID-19 was also highlighted. This was due to valuation reports being issued to a range of public sector bodies during a very different pandemic market.</p> <p>Members thanked D Eardley and approved the External Audit Plan.</p>
24/21	<p><u>Draft Internal Audit Plan 2021-22 – Paper C</u></p> <p>The Draft Internal Audit Plan was outlined by S McCready, Wylie & Bisset.</p> <p>A Cox highlighted the additional days which were included for the review of the finance procedures and recommended that this work be included, given the lengthy period of time it had been outstanding and the potential to provide efficiencies.</p> <p>The process of internal audits was explained by S McCready. Members reviewed the proposed areas for audit. The inclusion of payroll was questioned, and it was noted that a payroll audit had been carried out during 2018/19 and therefore was not part of this cycle. The Risk Management audit would be carried out in two parts, with part one reviewing the new risk structure and its adequacy, followed with part two in March 2022 which would review the structure in practice.</p> <p>Members approved the Internal Audit Plan for 2021-22.</p>
25/21	<p><u>Internal Audit Assignment – Follow-up Review – Paper D</u></p> <p>An overview of the paper was provided by S McCready. The audit had concluded a substantial level of assurance with seven of the thirteen recommendations fully implemented. Three had been partially implemented with a further three not implemented.</p> <p>A Member asked if the auditors present felt that this paper was acceptable given the delays in actioning some items. Members discussed the</p>

	<p>recommendations which remained outstanding. A Cox advised that due to the crisis situation of COVID-19 it had been necessary to prioritise resources which had impacted on the completion of the recommendations, however, all three risks were of a low category with no material bearing on the level of risk to the College. The auditors agreed that resource prioritisation had been necessary for many organisations through the pandemic and had no concerns regarding the new proposed timings. Members were content with the reassurance provided.</p> <p>Members approved the report.</p>
26/21	<p><u>Procurement Policy – Paper E</u></p> <p>The new Procurement Policy was a combination of the previous Procurement Strategy and Policy documents with input having been received from APUC and internal approvals held. The text which was highlighted in yellow had since been updated.</p> <p>The following points were raised:</p> <ul style="list-style-type: none"> • Competitive Tendering (page 9) – the use of ‘appropriate’ within this paragraph was queried. • Measurement of objectives and success to be given further consideration. <p>A Member asked how the Committee, and Board, would know the Strategy has been implemented and how success would be measured, with another asking what the success of one of the objectives which refers to ‘to enable innovation and service delivery’ would look like. A Cox noted that procurement expenditure is reported to the Board, and other items would be taken back to the VP Finance and Corporate Services.</p> <p style="text-align: right;">ACTION: VP F&CS</p> <p>Members approved the policy in principle, subject to the points raised.</p>
27/21	<p><u>Strategic Risk Register – Paper F</u></p> <p>A review of the Strategic Risk Register had been completed by The Executive Team on 10 May 2021. A Cox advised that there had been a slight concern regarding meeting the target for credits which was due to a decrease in recruitment numbers, however, the situation was improving and would be reviewed again by The Executive Team at the end of May 2021.</p> <p style="text-align: right;">ACTION: VP F&CS</p> <p>Members noted the report with no further risks raised.</p>
28/21	<p><u>External Effectiveness Review Recommendations – Paper G</u></p> <p>Recommendations from the EER had been incorporated into the Board Development and Enhancement Plan. The monitoring of progress would be reported to future Committee meetings.</p>

	<p>Part of the action plan would include the development of a suite of KPIs, to report to and inform the Regional Board, through discussions with individual Committees with longer term plans for a digital dashboard.</p> <p>Members noted the report.</p>
29/21	<p><u>Updated Internal Audit Plan 2020-21 – Paper H</u></p> <p>The Internal Audit Plan for 2020-21 had been updated to show the rescheduled assignment dates for the Value for Money audits which would begin on 28 June 2021.</p> <p>Members noted the report.</p>
30/21	<p><u>Monitoring Internal & External Audit Follow up Report – Paper I</u></p> <p>The information paper provided an update on progress with the outstanding recommendations raised by Internal and External Audit. A Cox advised on the following points:</p> <ul style="list-style-type: none"> • Two new items – Information Governance and IT Systems • Electronic systems policy update – the policy was issued to JCCP and approved in March. <p>Members discussed the report and noted some discrepancies were evident when compared to the February 2021 paper, such as the Information Governance report as previously raised. An explanation and commentary on the changes in completion dates between papers was also requested.</p> <p style="text-align: right;">ACTION: VP F&CS</p> <p>Members noted the report.</p>
31/21	<p><u>Cyber Security Update – Paper J</u></p> <p>The information paper provided an update on the College’s Cyber Security enhancements along with the recommendations outlined within the recent Cyber Resilience Technical Assessment.</p> <p>Point raised:</p> <ul style="list-style-type: none"> • Clarification required regarding page 2 timeline of April 2021 and page 4 timeline of March 2022. <p style="text-align: right;">ACTION: VP F&CS / Head of ISLT</p>
32/21	<p><u>Equality, Diversity & Inclusion (Standing item)</u></p> <p>No items were raised.</p>
33/21	<p><u>Committee Papers for Publication (Standing item)</u></p> <p>No draft or commercially sensitive papers would be published.</p>

34/21	<p><u>Any Other Business</u></p> <p>The Auditors left the meeting at this point following a request from the Chair.</p> <p>a) Internal Audit Service - 2022 onwards</p> <p>Following a discussion, members agreed that a competitive tendering process should be held for the Internal Audit Service for 2022 onwards.</p>
35/21	<p><u>Date of Next Meeting</u></p> <p>The next meeting will be held at 17:30 on Thursday 30 September 2021.</p>

Signed..... Signed.....
Chairman Board Secretary