

Paper 1

Audit and Risk Committee Meeting
held on Thursday 12 September 2024 at 11.30am-1.30pm on Campus

Present:

Andy McGoff	Chair/Board Member
Margaret McLean	Board Member
David Hamer	Board Member
Aislinn Wood	Board Member

In attendance:

Ingrid Earp	Board Secretary (Minutes)
Roddy Henry	Principal
Mary Slater	Director of Operations

Gemma ?	Internal Audit, BDO
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Apologies for absence: None

Part A – Opening Business	
1.	Welcome, Apologies and Declaration of Interest The Chair welcomed everyone to the meeting. There were no apologies for absence and no declarations of interest.
2.	Minutes of the Previous Meeting, 16 May 2024 (Paper 1) The minutes of the previous meeting were accepted as an accurate record. Action Log (Paper 1a) The Action and Decision log has been updated accordingly.
3.	Matters Arising There were no matters arising not covered in the Action Log.
Part B – For decision	
4.	Student Support Internal Audit Report (Paper 2) The Report findings were substantial for design and moderate for effectiveness with two findings noted. Management actions have been agreed and the recommendations have already been actioned. Concerns were raised with BDO around the nature of the work undertaken for the Audit and their lack of presence on campus to carry out fieldwork. A meeting has been held with BDO to discuss this with assurance from BDO that there would be improvements. Decision ARC01:B4 The Student Support Internal Audit was approved.
5.	Cyber Security Internal Audit (Paper 3) Both design and effectiveness were found to be limited. There were four findings, one of which was rated as high. This was around the lack of information management policies. Management actions have been agreed.

	<p>The Principal recognised the need for increased support and expertise in this area. This work is currently being outsourced but this is not felt to be sustainable. The Principal is having discussions with some other colleges re shared services for this area. The Chair broadly welcomed this approach but urged the College to choose partners carefully and undertake due diligence with any such arrangement.</p> <p>Decision ARC01:B5 The Cyber Security Internal Audit Report was approved.</p>
6.	<p>Draft Reserves Policy (Paper 4) This first came to the Committee in February 2024 when it was agreed to also include cash and liquidity in the policy. The revised policy now includes these. The draft policy as it now stands has been sent to CT but no response has been received to date.</p> <p>Decision ARC01:B6 The revised policy was accepted and recommended for approval to Board, there was also agreement to review it on an annual basis.</p>
7.	<p>Draft Audit and Risk Committee Annual Report (Paper 5)</p> <p>Action ARC01:B7 Dir of Ops to fill in the gaps re Audit information.</p> <p>Action ARC01:B7 Add a statement re the unqualified External Audit for 2022/23.</p> <p>Action ARC01:B7 Board Secretary to circulate amended Report.</p>
8.	<p>Committee Self-Evaluation Report (Paper 6) Feedback was generally very good with scores improving from the previous year. The mix of skills on the Committee has been improved although it would be useful to have someone with cyber security knowledge on the Committee.</p> <p>Members to consider if informal mentoring and training would be helpful.</p> <p>The Committee noted the report.</p>
Part C – For discussion	
9.	<p>Risk Register Update (Paper 7) The Principal talked through the paper noting that there has been little change since the June Board meeting although some of the commentary has been updated.</p> <p>The Board are required to revisit their risk appetite and risk statement each year and this will form part of the Board planning day in October.</p> <p>It was noted that the funding environment is an area of increasing risk and will be subject to greater scrutiny.</p>
10.	<p>Monitoring of Audit Recommendations (Paper 8) It was agreed to close item three regarding stock count as it is an ongoing matter.</p> <p>The Director of Operations will revisit the fixed asset register, item 4, after the external audit in October. A Member asked if the fixed asset register informed future capital spend. It was noted that it doesn't at present but this is the longer term aim. Along with this it was suggested that the College might consider an Asset Management Strategy.</p>

	<p>The recommendation from the internal audit on cyber security to have an information security policy is a high level one and the Principal noted that a cyber security policy and disaster recover policy should also be introduced to sit alongside the information security one. Once the policies are in place staff training will be provided in this area.</p> <p>Other areas for consideration are the Business Continuity Plan (BCP) and policies for revision. These to be added to the agenda for the October meeting.</p>
11.	<p>Follow-up Audit 2023-24 (Paper 9)</p> <p>The fieldwork is being carried out by internal audit at the time of the meeting. The Director of Operations reported that the evidence required is being uploaded to the portal.</p>
12.	<p>Draft Accounts 2023-24 (Paper 10)</p> <p>Scrutiny of the year end accounts sits with the Finance and Resources Committee however it is useful for Audit and Risk to also have sight of the year end projections. At the time of the meeting the forecast year end figure is £132k surplus although it was noted that the Q4 VAT return is not included in this and there will still be some adjustments to be made. The figure is higher than that forecast for the end of June Board meeting and part of the reason for this is the capitalisation of some items that brought expenditure down.</p> <p>It was noted that the College is in a good position, financially, compared to the rest of the sector.</p> <p>The College had £649k cash at July 2024 although £150k of this is potentially due back to SFC (decision awaited from SFC).</p>
Part D – For information	
13.	<p>College Policies (Verbal)</p> <p>Updates to policies are continuous and ongoing.</p>
14.	<p>Notifiable Items (Verbal)</p> <p>The student complaint is now almost at the point of closure with a deadline given to them for the College to have received a response by.</p> <p>The Committee were assured that there is no financial exposure around this.</p>
Part E – Closing Business	
15.	There were no items of any other business.
16.	<p>Date of next meeting</p> <p>Thursday 31 October 2024 at 11.30am</p>