![Newbattle Abbey College / Colaiste Abaid a'Bhatail Nuaidh]

Paper 1

Audit and Risk Committee Meeting
held on Thursday 16 May 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 and Business Development
Sowmya Menon	Internal Audit, BDO
Jeremy Chittleburgh	External Audit, CT

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, 29 February 2024** (Paper 1) The minutes of the previous meeting were accepted as an accurate record. **Action Log** (Paper 1a) Some actions remain outstanding and these were noted.
3.	**Matters Arising** There were no matters arising not covered in the Action Log.
Part B – For decision	
4.	**External Audit Plan** (Paper 2) J Chittleburgh talked through the External Audit Plan proposed for the upcoming year. The level of materiality has been set at £47k. The increase in fee from the previous year was noted. The filing deadline should be amended to April 2025. **Decision ARC03:B4 Subject to the one amendment the Committee approved the External Audit Plan.**
5.	**Internal Audit Plan** (Paper 3) S Menon talked through the Plan for year three of the three year arrangement with BDO. Proposals for internal audits in 2024/25 are: Strategic Planning, Student Recruitment and Data Protection. Should BDO be appointed for a further term a forward look over the next three years was also presented.

	Decision ARC03:B5 The Committee approved the internal audit plan for 2024/25.
6.	**Internal Audit Reports (**Paper 4) Internal Audits on Cyber Security and Student Support have been completed and are with the SLT for the addition of the management response. These will then need to be circulated and approved by the Committee by email. **Action ARC03:B6 Principal and Board Secretary to circulate reports when complete.** The Committee Chair noted some concern about some of the processes followed for these audits and the depth and quality of the reports. S Menon said she was aware of the 'expectation gap' and the Chair stressed that the College needs to be assured that the Audits are being undertaken accurately and with attention to process and that they get maximum value out of them. **Action ARC03:B6 Board Secretary to arrange a meeting with BDO, Principal and Committee Chair.**
7.	**IT and Cyber Security Policies – Information Security Policy** (Paper 5) The revised policy ties up a number of loose ends and addresses issues with the previous policy, bringing together a number of IT related policies under one umbrella policy. It was drafted before the full Cyber Security Internal Audit was received so there may be some small changes required in the light of the Audit. A Wood asked if there was a link between Information Security and Procurement. **Action ARC03:B7 A Wood to share some example documents re Info Sec and Procurement with the Dir of Ops and Bus Devt.** The Committee noted the amended policy and that it covers what should be happening but will continue to require assurance that the policy is actually being adhered to.
Part C – For discussion	
8.	**Risk Register Update** (Paper 6) The Principal talked through the updated Risk Register. The financial stability score has been reduced given that the College is in a relatively good place financially compared to many others in the sector. The risk around student experience has been increased slightly with outcomes expected to be lower than the previous year which was particularly outstanding. Recruiting and retaining key staff is on a more even keel with a new Curriculum Manager recruited to start on 20 May. There have been issues around recruiting an Estates and Facilities Assistant and that will go out to advert for the third time shortly with some tweaks to the job title and job description. Some single point of failures have been noted, in particular the Finance Officer however the Senior Administrator has volunteered to be trained in some of this work to allow for cover to be provided. Regarding the organisational culture the pay dispute is still ongoing with little sign of movement and that continues to impact on everyone and is having a very polarising effect. The Principal said he felt that the majority of staff understood where the sector is at financially and that there is little optimism for additional funding from the Scottish

	Government. The job evaluation exercise for support staff has not yet reached resolution with the data now six years out of date. The Committee felt that the risks and issues are reflected fully in the Register with appropriate mitigations in place and being managed as effectively as possible.
9.	**Monitoring of Audit Recommendations** (Paper 7) The Committee was pleased to see that a large number of the recommendations have not moved to green although some external audit recommendations remain open. The Dir of Ops and Bus Devt reported that the fixed asset register is now due a review with the majority of items in it being equipment. They also confirmed that items are being fully depreciated.
10.	**GDPR Update** (Paper 8) There are no data breaches to report with some Freedom of Information (FoI) requests made which have been logged and responded to. There is a need for more staff training in this area, however.
11.	**Review of Terms of Reference** (Paper 9) Each year the Committee Terms of Reference (ToR) should be reviewed to ensure they are still relevant and that Committee activity is aligned to them. The Committee agreed one change to the ToR which is line with the other Committees and is around what constitutes a quorum. To avoid a meeting being quorate with no independent members, or a very small number the wording should be changed to reflect that a quorum will be 50% of Members, the majority of which should be independent. **Action ARC03:C11 Board Secretary to amend Terms of Reference as agreed.**
12.	**September Audit and Risk Committee Meeting** (Verbal) It was agreed to increase the number of A&R meetings to four per year in line with other Committees with the additional meeting being held in September each year.
Part D – For information	
13.	**College Policies** (Verbal) It was noted that methodical progress is being made on revising and reviewing the College policies. Discussion of policies for review to be held at the September A&R meeting.
14.	**Notifiable Items** (Verbal) The Principal informed the Committee of a complain from a student that may escalate. Committee to be kept informed.
Part E – Closing Business	
13.	There were no items of any other business.
14.	**Date of next meeting** Thursday 12 September 2024 at 11.30am