

Paper 1

Audit and Risk Committee Meeting
held on Thursday 31 October 2024 at 11.30am-1.30pm on Campus

Present:

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

In attendance:

Ingrid Earp	Board Secretary (Minutes)
Roddy Henry	Principal
Mary Slater	Director of Operations
Clare Robertson	Internal Audit, BDO
Jeremy Chittleburgh	External Audit, CT

Apologies for absence: None

Part A – Opening Business	
1.	<p>Welcome, Apologies and Declaration of Interest The Chair welcomed everyone to the meeting.</p> <p>There were no apologies for absence. D Hamer was not present. There were no declarations of interest.</p>
2.	<p>Minutes of the Previous Meeting, 12 September 2024 (Paper 1) The minutes of the previous meeting were accepted as an accurate record.</p> <p>Action Log (Paper 1a) The Action and Decision log has been updated accordingly. It was noted that the students in the residences are exempt from Council Tax.</p> <p>The waiting period referred to in the insurance policy for cyber security is 8-12 hours.</p>
3.	<p>Matters Arising There were no matters arising not covered in the Action Log.</p>
Part B – For decision	
4.	<p>Audit and Risk Committee Annual Report (Paper 2) The Report was approved and it was agreed to add a note that an unqualified audit is also expected for the 2023/24 year.</p> <p>Action ARC02:B4 Board Secretary to add note re unqualified audit before taking to Board.</p> <p>Decision ARC02:B4 Committee approved the Annual Report.</p>
5.	<p>Credit and Student Support Funds Audit (Paper 3) External Audit noted that these were both very good reports and commended the team for the work done during the year.</p>

	Decision ARC02:B5 Committee approved the credit and student support funds audits.
6.	<p>External Audit Annual Report (Paper 4) The External Auditor talked through the report and the processes followed to produce it. It was noted that the External Audit confirms the College as a going concern and general, overall compliance is good. Follow up from previous year recommendations is also positive.</p> <p>One finding was that one employment contract had not been received back signed which was for short term cover.</p> <p>Overall an unqualified audit opinion was given.</p> <p>Action ARC02:B6 Board Secretary to circulate the technical summary info from External Audit.</p> <p>Decision ARC02:B6 Committee recommend External Audit report for approval to Board.</p>
7.	<p>Annual Accounts and Annual Report (Paper 5)</p> <p>Action ARC02:B7 Chair to send through amendments to Dir of Ops.</p> <p>External Audit noted the revised Reserves Policy and that it was robust and clear but should be reviewed periodically.</p> <p>Decision ARC02:B7 The Committee recommended the annual accounts and report to Board for approval.</p>
8.	<p>Audit Letter of Representation (Paper 6) Next year the External Auditors will be called CT Audit Ltd, this was noted.</p> <p>Decision ARC02:B8 The Committee recommended the letter for signature.</p>
9.	<p>Internal Audit Annual Report (Paper 7) Three internal audits have been carried out over 2023/24, student support, cyber security and curriculum planning. Six recommendations were made, management actions have been agreed and good progress is being made towards addressing the recommendations.</p> <p>Decision ARC02:B9 Committee approved the Internal Audit Annual Report.</p>
10.	<p>Follow-up Audit (Paper 8) It was noted that reasonable progress is being made in implementing the recommendations.</p>
11.	<p>Internal Audit: Curriculum Planning (Paper 9) There were no recommendations coming out of this internal audit and several areas of good practice noted. Congratulations were extended to the team who were involved in this.</p> <p>Decision ARC02:B11 Committee approved the Internal Audit: Curriculum Planning.</p>

<p>12.</p>	<p>Financial Regulations (Paper 10) Amendments agreed at previous meetings have been added. An additional amendment agreed was to reference wider digital infrastructure security and not just computer security.</p> <p>Action ARC02:B12 Director of Operations to make suggested amendment.</p> <p>A question was raised about handling and reporting of bad debts and it was agreed that this should be included in the Finance Report that goes each quarter to the Finance and Resources Committee.</p> <p>Decision ARC02:B12 Include bad debt report in finance report to F&R Committee.</p>
<p>Part C – For discussion</p>	
<p>13.</p>	<p>Monitoring of Audit Recommendations (Paper 11) The outstanding recommendations were talked through by the Director of Operations. The review of the financial procedures is ongoing but will be complete by the end of December.</p> <p>Regarding cyber security discussions have been had with another college re sourcing IT support from them or working with them to deliver this. It may be that the College recruits to this post but the person is given wider support from an IT team at a larger college.</p> <p>Disaster recovery and business continuity – this will be a focus moving forward and will come to the next A&R meeting.</p> <p>The Fixed Asset Register remains outstanding but the intention is that this will be worked on during November.</p>
<p>14.</p>	<p>Risk Register Update (Paper 12) Some changes have been made around Estates and Infrastructure as a result of SFC requesting information from colleges around this area and particular requirements emerging for the College such as the electrics will require a total upgrade in the relatively near future which is a large piece of work with a significant cost associated with it.</p> <p>Regarding the risk appetite the Principal suggested no change to this at the present time.</p> <p>Decision ARC02:C14 Committee agreed to recommend to Board no change in the risk appetite.</p>
<p>15.</p>	<p>Internal Auditors: BDO (Verbal) Concern has been noted around the processes and procedures of BDO carrying out internal audits and the lack of continuity around the College contact at BDO. This is the last year of the current agreement with BDO so a procurement around this will need to be started early in 2025. The Principal noted their concern about the excessive burden of the internal audit process on a small college like Newbattle. There is acceptance that internal audit is required but that it should be in proportion to the size of the college and the availability of staff to do the work.</p> <p>Action ARC02:C15 Director of Operations to begin the process of procurement for Internal Auditors and consider creating a group to work on this.</p>

Part D – For information

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| 16. | Notifiable Items (Verbal)
There were no notifiable items. |
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Part E – Closing Business

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| 17. | There were no items of any other business. |
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| 18. | Date of next meeting
Thursday 20 February 2025 at 11.30am |
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