

Paper 1

Audit and Risk Committee Meeting **held on Thursday 8 May 2025, 9.30am on Campus**

Present:

Andy McGoff
Margaret McLean

Chair/Board Member
Board Member

In attendance:

Ingrid Earp
Roddy Henry
Jeremy Chittleburgh
Deepasri Selvam

Board Secretary (Minutes)
Principal
External Audit, CT
Internal Audit, BDO

Apologies for absence:

Aislinn Wood, Board Member
Mary Slater, Director of Operations

Part A – Opening Business

1. Welcome, Apologies and Declaration of Interest

The Chair welcomed everyone to the meeting.

2. Minutes of the Previous Meeting, 20 February 2025 (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.

For the action around the College insurance the Director of Operations confirmed that the Trust insure all the paintings, and the College is responsible for everything else. The College was unable to take advantage of a better rate offered by the current insurance company for a longer-term policy as a procurement would be required. The College will go out to tender for this next year.

Action A&R04:A2 M McLean to compare College and Trust insurance policies to check that between the two all items are covered.

Action A&R04:A2 Director of Operations to investigate the insurance offering from UMAL – a specialist provider for universities and colleges.

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 proposed External Audit Plan for the audit on 2024/25. It is similar to previous years with a number of items that are mandatory. The fee proposal is slightly above inflation taking into account increasing national insurance costs and increasing legislation.

J Chittleburgh explained the relationship between CT Audit Ltd and CT Partnership after the Committee Chair sought clarity.

	Decision A&R04:B4 Committee approved the external audit plan.
5.	Internal Audit Plan 2025-26 (Paper 3) Current internal auditors, BDO, talked through their suggested plan for 2025-26 however it was noted that there is a procurement process currently taking place for internal audit 2025-26 so the plan may well change depending on the successful bidders. The Principal noted that although the Data Protection Audit is meant to be ongoing there has been no contact from the BDO team other than the opening meeting so an update on that would be welcome. Decision A&R04:B5 Committee approved the plan as is noting it was liable to change.
6.	Procurement Policy (Paper 4) The Director of Operations explained that they have had several discussions with APUC as to the way forward with this and they have suggested that the thresholds that Borders College use may be relevant for Newbattle. Borders Procurement Policy also includes Value for Money (VFM) which should be included at Newbattle too. The Committee agreed that this was generally a good fit. However, it was unclear to Members where the delegated authority matrix sat in the College, as part of this policy or the Financial Regulations? Members suggested overhauling the Policy to include all information in one place – procurement, delegated authority and VFM. (Alternatively delegated authority to be clearly included in Fin Regs). Action A&R04:B6 Director of Operations to clarify where the delegated authority matrix is currently recorded. Action A&R04:B6 Director of Operations to redraft the Procurement Policy including VFM and bring to next A&R meeting for discussion and recommendation to Board. Regarding finance related policies in general Members suggested that it would be useful in the first instance for A&R and Finance and Resources (F&R) Committee to have sight of new or revised policies.
Part C – For discussion	
7.	College Insurance – Long Term Agreement (Paper 5) This item was covered in the A&D Log update.
8.	Risk Register Update (Paper 6) The Principal reported that there has been no change to the scoring in the Register although the commentary has been updated. In terms of financial sustainability the College is forecasting a surplus for the current financial year end and the budget for 1015-26 is currently being prepared. Action A&R04:C8 Principal to check if Director of Operations revisited cash flow as per conversation with Committee Chair. J Chittleburgh expressed surprise that financial sustainability was rated green given the current financial climate across the sector. He accepted that the current year was positive but it will become increasingly difficult to maintain that for future years. It was noted that

	it would be useful to be able to see how much additional income the newly appointed Business Development Manager has generated in terms of assessing this risk and it was agreed to move the risk to amber and update the commentary. Discussion also took place around cyber security and the potential risks there (covered under the business continuity risk) given the increasing number of high profile cases. It was agreed to move this risk to amber and update the commentary. Action A&R04:C8 Principal to update the Risk Register accordingly. Decision A&R04:C8 Amend the rating of the financial sustainability and business continuity risks to amber. The Chair of the Committee noted that SFC have launched a Collaboration Fund with bids to be submitted by August. This is largely directed at universities but colleges can be a named partner in a bid for one-off funding to kick start sustainable initiatives. Action A&R04:C8 Senior Team to consider how they may collaborate for SFC Collaboration Fund.
9.	Monitoring of Audit Recommendations (Paper 7) For the monitoring of external audit recommendations the fixed asset register remains outstanding. Action A&R04:C9 Director of Operations to circulate update on fixed asset register. Regarding internal audit recommendations a VFM policy remains outstanding – this to be included in the Procurement Policy, as does an anti-bribery policy which should also include reference to a Register of Gifts to be reported on at least once a year to A&R. Action A&R04:C9 Director of Operations to complete the anti-bribery policy. Action A&R04:C9 Board Secretary to add Register of Gifts to next Committee meeting agenda under notifiable items. Action A&R04:C9 Director of Operations to revise date on staff recruitment training recommendation to September 2025. The date for the cyber security recommendation has changed to July 2025 due to the recent appointment of the new IT support person in order to give them time to become familiar with the role.
10.	Annual GDPR Update (Paper 8) The paper laid out that there had been three potential breaches and all staff have now just completed their Data Protection Awareness training. The Data Protection Internal Audit is currently underway. Members agreed that all staff should be encouraged to report incidents, there are likely some that the senior team are not aware of.
11.	Review of Committee Terms of Reference (Paper 9) Decision A&R04:C11 The Terms of Reference as in the paper were agreed for recommendation to Board.

	Action A&R04:C11 Whistleblowing policy to be drawn up.
Part D – For information	
12.	College Policies There were no items to discuss not covered elsewhere and it was agreed to take this item off the agenda as a standing item.
13.	Notifiable Items (Paper 10) The Principal gave background to the paper which was about an unpaid debt concerning the business park. The College was liable for the debt and this has now been settled. The Committee had a number of questions for the Director of Operations who was not present at the meeting. Action A&R04:C13 Director of Operations to check the unpaid debt invoices had previously been accrued. Action A&R04:C13 Director of Operations to check what the reduction on the unpaid invoices would have been for a charitable status organisation and if this could be claimed back retrospectively. Action A&R04:C13 Director of Operations to report back how much of the amount paid on the unpaid invoices was penalty for late payment. The Principal noted that there had been lessons learned and the non-payment had not happened from intent.
Part E – Closing Business	
14.	Any other Business There were no items of other business.
15.	Date of next meeting: Thursday 11 Sept 2025 at 11.30am on campus.