

West College Scotland

Audit & Risk Committee

Minute of Meeting held on Wednesday 22 May 2024, via Teams

Present: R Leitch [RL] (Chair)
J Russell [JR]
T Dillon [TD]
B Logan (Cooptee) [BL]

In Attendance: C Brown, Azets (External Auditor) [CB]
L Connolly, Principal [LC]
A Kolodziej, Azets (External Auditors) [AK]
S Pringle, Wylie & Bisset (Int Auditor) [SP]
S McDonald, Governance Manager [SM] (Minutes)

AR776 Private Meeting of Audit & Risk Committee Members and S Pringle, Wylie & Bisset (Internal Auditor)

SP updated on the internal audit process during the year. He noted the number of changes with staff contacts at the start of the year, leading to some delays in planning and initial audits taking place. It was noted that the Governance Manager had now taken on the role of helping to organise dates for audits, issue assignment plans and then ensure management responses to any recommendations were notified timeously to Auditors.

SP further advised that he had no concerns to raise, the initial changes had not affected the overall audit process and that the College remains on target to complete the planned audits for the year.

The Committee welcomed the information and were encouraged by the resilience of the College in the face of numerous staff changes. Thanks was also noted to AM and SM in their roles in taking forward the process. RL advised that further discussion would take place later on the agenda on the Internal Audit Plan for 2024/2025 on the demands of the Executive and to ensure sufficient resource and expertise in place to take the audits forward.

AR777 Welcome & Apologies

CB, AK, and LC joined the meeting.

The Chair welcomed everyone to the meeting. Apologies were noted from A McDonald, Vice Principal Operations.

AR778 Declaration of Interests

The standing declarations of interests of members, as available on the Register of Interests on the College website, were noted as current. There were no specific interests declared regarding the items on the agenda.

AR779 Minute of Meeting held on 27 March 2024

The minute of the meeting held on Wednesday 27 March 2024 **was approved** as an accurate record of discussions.

AR780 Actions from the Minute and other Matters Arising

Updates were given on the following actions:

- Review of areas for internal audit to be discussed later in agenda
- IT Controls – Business Continuity Planning events are planned for over the summer, update to be provided at Sept meeting. **Action: SM.**
- IT Re-shaping – update to be submitted to future meeting. **Action: SM**
- Capital Funding – meeting with SFC taking place later in the week to take issues forward.
- Worked example of Be The Change project now available on the Committee Teams Channel. Members to review and feedback any queries to SM. **Action: All**

The Committee **noted** the actions taken since the last meeting and **agreed** that the completed actions could now be removed.

AR783 Annual Effectiveness Review – Internal Auditors and Audit & Risk Committee

SM advised that the proposed questionnaires to be issued for the reviews remain the same as the previous year and are still based on the requirements of the Scottish Government Audit & Assurance Committee Handbook. Questionnaires would be issued by end of May with a return date of 30 June 2024. A summary report on the returns will be submitted to the September Committee Meeting. **Action: SM**

The Committee **approved** the questionnaires, distribution list and process for the evaluation of the Audit & Risk Committee and the Internal Auditors.

AR784 External Audit Strategy 2023-2024

CB introduced himself to the Committee. He provided an overview of the Draft Annual External Audit Plan. He advised of the challenges faced due to current vacancies within the Finance team.

CB advised the approach was similar to last year's Audit Plan with no changes to accounting standards and that the College was operating within a similar environment. He noted the same areas of significant risk had been highlighted, these being:

- Management over-ride of controls
- Fraud in revenue recognition
- Fraud in expenditure recognition
- Valuation of land and buildings
- Actuarial estimate of the pension asset / liability.

CB further noted the wider scope of the audit in relation to financial sustainability, which he noted was a risk area on all public sector bodies; the audit fee as set by Audit Scotland; and the Auditor independence. He advised of the potential impact of the finance team capacity and the key vacancies therein. He noted that Azets would work with LC and the SMT to plan for the preparations of year end accounts and support for the audit.

LC noted the College's awareness of the challenges within the Finance team. She advised that the Director of Finance was due to start mid-July and that interim arrangements were being discussed to supplement the team. A meeting to be arranged with Azets to discuss and ensure the College provides what is required in order to complete the audit process.

Action: LC/CB

RL noted that the previous year, being the first year with Azets, raised a point of ensuring early engagement to understand the approach for the audit and asked if dates had been planned to work through expectations and the engagement process. CB advised that these have been ongoing, however, would be further discussed at the meeting with the Principal. RL asked that a further update on the audit be provided at the September Committee meeting.

Action: SM/CB

CB asked for confirmation of the timescales for the Board signing off on the accounts. It was noted that the proposed date for the joint Audit & Risk and Corporate Development Committee was 19 November 2024, with the Board meeting scheduled for 9 December 2024. These dates would be confirmed at the June Board meeting and meeting invites issued over the summer.

JR asked if the new Director of Finance had a background within FE/HE. LC advised they had experience within both public and private sectors. She further noted that mentoring and support would be sought and provided from another college.

The Committee **noted** the draft plan and the updates provided.

AR785 Internal Audit Reports

SP updated the Committee on the 4 internal audit reports provided. He advised of the the following assurances provided for each:

Continuing Professional Development (CPD) – Strong Assurance, 10 areas of best practice, with 2 low level recommendations, due to be completed by 30 June 2024.

The following was raised and addressed:

- Was the scope of the audit to review CPD to see if what is provided is aligned to achievement of the Strategic Objectives. SP advised that the scope was to look at how CPD is identified and that it aligns with requirements of roles, and it did not reflect on strategic goals.
- Committee were assured of the robust systems in place and noted the lack of feedback being submitted as a common occurrence in this area.
- The 'My Conversations' process was used as a starting point for staff and line managers to raise any personal development requests and any developments required to fulfil role.
- The Committee noted the differing response on the recommendation to consider the self-assessment process as mandatory. SP noted acceptance of the

management response to improve engagement and agreed that this was not mandatory across the sector.

Estates Strategy – Substantial Assurance, 5 areas of best practice, with 2 medium level and 1 low level recommendation. Low level recommendation to be implemented by August 2024 and medium levels to be implemented by January 2025.

LC advised that SFC were starting work on baselining Colleges Estate across Scotland. She advised it was likely a template would be provided for future College Estates Strategy to allow sector wide assessment of estates projects. RL noted this could be beneficial to colleges with aging campuses.

Alternative Income – Strong Assurance, 7 areas of best practice and no recommendations noted.

Student Admissions – Strong Assurance, 12 areas of best practice, with 2 low level recommendations, due to be implemented by December 2024.

JR advised it was great to see 12 areas of good practice in this area, with the concerns previously raised on the new system.

All recommendations noted have been agreed by management and monitoring of these will take place through the Rolling Audit Action Plan until completed.

The Committee **noted** the reports provided, highlighting the strong and substantial assurances, with no high recommendations noted. The number of areas of best practice noted across all audits were also highlighted. RL thanked Wylie & Bisset for their work in undertaking the audits and thanked the Principal and SMT for their hard work and performance in the areas noted.

AR786 Internal Audit Plan 2023/2024 Update

SP spoke to the progress report provided. He noted that date had been arranged for the remaining audit scheduled for the 2023/2024 on the Communication & Marketing Strategy. He confirmed all was on track for completion of 2023/2024 audit programme and a report would be submitted to the September Committee. **Action: SP**

The Committee **noted** the update provided.

AR787 Internal Audit Plan 2024/2025

SP advised the Committee of the planned areas for audit for 2024/2025, being year 5 of Wylie & Bisset's 5-year audit programme. He noted the draft timetable included, with all audits planned over four visits. He advised that subject to the Committee's approval, timings can be changed, or audit areas replaced should the need arise to re-prioritise areas throughout the year. The report also included a summary of the audits undertaken over the last 5-year period.

TD asked if the October date planned for the review of the student information system was the best time. LC advised it was best to be as early as possible. She noted that following the decisions from the current review of the system, the audit scope may change.

The Committee **approved** the Internal Audit Plan for 2024/2025.

AR788 Rolling Audit Action Plan

SM updated on the paper provided. The 4 recommendations requesting extensions were awaiting the new Corporate Strategy. Following the issuing of the Committee papers a further two updates had been provided:

Safeguarding (IA22-23, 04) – a proto-type form had now been created, with content drafted for the intranet and website. The next stage is to test the forms. Item is on track for completion at set date.

Whistleblowing (IA22-23, 12) – A form to be developed for recording concerns. A request was put to amend the status back to 'in progress' to allow the work to be completed by a deadline date of 31 July 2025.

The Committee **noted** the report and updates provide and **agreed** to the requested extensions on the five actions, including the one noted above.

AR789 Declaration and Management of Interest Policy & Procedure (revised)

SM updated on the changes highlighted within the Policy, these being changing the title from Conflict of Interest to Declaration and Management of Interest and updates to the Policy Statement; inclusion of other relevant internal references; reporting of transactions with related parties in the Annual Accounts; inclusion of co-opted members; as well as updates to responsibilities of Board Members.

She noted that the Procedure had also been reviewed and only minor amendments to Policy title and job titles had been required.

The Committee **approved** the revised Policy and Procedure.

AR790 Gifts, Benefits & Hospitality Policy (revised)

In the absence of the Director of Finance, the Governance Manager had reviewed the Policy and only minor amendments including job titles had been required. SM noted that this would be scheduled for review by July 2025 to allow the Director of Finance to take forward.

The Committee **approved** the revised Policy.

AR791 Anti-Bribery & Corruption Policy (revised)

AM had reviewed the Policy and only minor amendments including job titles and change of committee name had been required.

The Committee **approved** the revised Policy.

AR792 Schedule of Business

The Audit & Risk Committee **noted** the proposed future Schedule of Business that would be submitted to each meeting for review and update if required.

AR794 Date of Next Meeting:

Proposed dates of meetings for 2024/2025 session were noted. Members were asked to contact SM should they have any issue with any of the proposed dates. A full list of committee and Board dates would be submitted to the June Board meeting for final approval.

With no further business raised, the Chair closed the meeting.

approved