



## AUDIT & RISK COMMITTEE

Minutes of the meeting of the Audit & Risk Committee held on Wednesday 20 May 2020 at 1030 hours via Teams.

Agenda Item	
	<p><b>Present:</b>            David Anderson – Chair            Sheena Ross            Andrew Russell – Vice Chair            Anne Simpson</p> <p><b>In attendance:</b>            Neil Cowie, Principal &amp; Chief Executive            Ken Milroy, Regional Chair            Peter Smith, Vice Principal Finance &amp; Resources            David Archibald, MHA Henderson Loggie            Nadia Napier, EY            Pauline May, Secretary to the Board            Susan Lawrance, Minute Secretary</p>
53-20	<p><b>Apologies:</b>            Ann Bell, Abdul Elghedafi</p>
54-20	<p><b>Declaration of any Potential Conflicts of Interest in relation to any Agenda Items</b>            There were no declaration of conflicts raised.</p>
55-20	<p><b>Minutes of Previous Meeting – 28 November 2019</b>            The minutes were approved as a true and accurate record.</p>
56-20	<p><b>Matters Arising from the Previous Meeting</b>            it was confirmed that all actions had been completed with the exception of progressing a new Committee self-evaluation. P May provided an update on how the Board's refreshed self-evaluation process will be progressed.</p>
57-20	<p><b>Matters for Decision</b></p>
58-20	<p><b>Report on Internal Audit Reviews</b>            Members noted paper summarising the outcomes of five Internal Audit Reviews.</p> <p>Given that this was the first instance of the Committee considering Internal Audit Review Reports prepared by Henderson Loggie following their appointment at the beginning of AY2019-20, in response to a query from the Chair, Members confirmed that they were comfortable with the format and layout of the documents.</p> <p>D Archibald summarised each Report in turn.</p> <p>In relation to the report on Business Development it was noted that given the timing of the Review it was important to acknowledge the College's changing</p>

	<p>financial position and resources for commercial income generation in relation to COVID-19 impacts. Further information was provided in relation to bid writing and missed potential College revenue in relation to ASET customers. N Cowie advised Members of ongoing engagement between the College and ASET in relation to improved alignment and partnership working on commercial training opportunities.</p> <p>In relation to the report on Financial Planning it was noted that the impact of the current unprecedented times is unknown. D Archibald confirmed that there were no significant weaknesses in regard to the College's financial planning process. Members however commented that It was very reassuring to have confidence that the College was starting from a good point in terms of robust processes and approaches for going forward. The benefits of the College being involved in national sector forums was highlighted.</p> <p>In relation to the report on IT Operations, the critical importance of robust platforms in enabling the College to respond quickly and effectively to the current unprecedented circumstances and then future approaches to online learning and remote working opportunities was noted. The need to provide staff training on blended approaches to support continued remote learning and working was highlighted. High levels of staff satisfaction with services and support provided by the College's IT Team, in support of a fast and effective transition to working and learning remotely, were commended.</p> <p>In relation to the report on BYOD, P Smith provided additional information on levels of stock utilisation and the management of licences. The Committee was advised that the College's well developed approach to BYOD had significantly helped with the requirement to teach and learn remotely in response to the COVID-19 pandemic. D Archibald acknowledged NESCol's advanced position in relation to BYOD in comparison to other colleges. N Cowie advised that NESCol had been asked by the SFC to provide information on its approach to BYOD to help develop sector good practice.</p> <p>In relation to the report on Follow Up, it was noted that 17 recommendations out of 21 had been fully implemented, with Members commenting on the positive outcome of the review and of the implemented improvements. It was agreed that P Smith would ensure that the outstanding recommendations would be completed. In relation to an outstanding recommendation on the provision of risk management training, D Archibald offered for Henderson Loggie to deliver this to the Board, and College management if helpful, at no cost to the College. D Archibald was thanked for this offer and P Smith and P May agreed to explore when the training could potentially be scheduled.</p> <p>All management responses were approved. It was however agreed that given the impact of the COVID-19 pandemic and possible changed priorities and capacities that responses and completion dates remain relevant and achievable. P Smith agreed to discuss this with relevant College managers and to update Henderson Loggie with any required amendments.</p> <p>D Archibald confirmed engagement with College staff during Internal Audit Review had been very positive with no issues encountered.</p>
	<p><b>Matters for Discussion</b></p>
<p>59-20</p>	<p><b>Draft External Audit Annual Plan Year Ending 31 July 2020</b> Members considered the draft External Audit Annual Plan for the year ended 31 July 2020.</p>

	<p>N Napier summarised the draft Plan, highlighting a number of key statements to Members.</p> <p>Materiality set at 2% was highlighted, however it was noted that this may be revisited in time due to the impacts of the COVID-19 pandemic and be reduced to 1%. In relation to other future potential impacts of COVID-19, timescales in Appendix D and fees in Appendix E were highlighted. It was confirmed that the Committee would be updated of any required changes.</p> <p>It was agreed that N Napier would seek confirmation from S Reid as to the requirement for the Committee to approve the External Audit Annual Plan.</p> <p>N Napier confirmed that there were currently no expected issues in terms of the timing of audit walkthrough visits. In terms of fieldwork arrangements, N Napier advised that EY will remain in contact with College management and will discuss any issues that may arise due to the availability of staff, both College and EY. The Committee requested that EY provide as much as notice as possible if the audit timeline requires to change due to capacity issues and the availability of auditors.</p>
60-20	<p><b>Draft Internal Audit Annual Plan 2020-21</b> The Committee considered the draft Internal Audit Plan for AY2020-21.</p> <p>D Archibald summarised the draft Plan.</p> <p>It was noted that the timings of Reviews may require to be reviewed and consideration be given to conducting them remotely in light of the pandemic. In response to a query, D Archibald confirmed that he did not expect the number of audit days to increase if audits required to be conducted remotely.</p> <p>It was also noted that given current circumstances, the Plan may need to be revisited in-year if risk priorities change. It was agreed that the rationale for the proposed internal audit areas, specifically not to include student recruitment and retention, would be confirmed by Henderson Loggie. Members requested for the College's Leadership Team to review the draft Plan to advise, in their view, if the audit areas remain appropriate to help inform the Committee's final approval of the Plan in September 2020.</p>
61-20	<p><b>Code of Good Governance for Scotland's Colleges – Review of Compliance</b> Members considered a paper providing information on the Regional Board's performance and compliance with the Code of Good Governance for Scotland's Colleges over the last 12 months.</p> <p>P May summarised the paper highlighting a number of areas that had been negatively impacted on by the COVID-19 pandemic.</p> <p>It was noted that consideration needs to be given to the rescheduling of the cancelled Regional Board Strategy Event which was due to be held in April 2020. Members were advised that this would be discussed at the Regional Board's meeting in June 2020. It was also noted that with A Bell's term of office coming to an end in February 2021, that consideration should be given to succession arrangements for the appointment of the Board's next Equality &amp; Diversity Champion.</p> <p>Members did not note any areas of concern.</p>

	<b>Matters for Information</b>
62-20	<p><b>Scenario Planning &amp; Identification of Risks</b> The Committee considered a paper providing summary information on work being undertaken by the College's Leadership Team in relation to scenario planning and risk identification.</p> <p>Members noted the development of two Action Plans – physically distance campus, and closed campus, and the establishment of a number of focused workstreams.</p> <p>Members were advised that the College's revised Strategic Risk Register would be submitted for discussion at the Regional Board Meeting in June 2020.</p> <p>The Committee noted that it was content with the approach adopted.</p>
63-20	<p><b>Any Other Business</b> No other business was raised.</p>
64-20	<p><b>Summation of Business and Date of Next Meeting</b> The Secretary gave a summation of the business conducted. The next meeting of the Audit &amp; Risk Committee is expected to be scheduled for September 2020 and will be confirmed when the Regional Board sets its Programme of Meetings for Academic Year 2020-21.</p>
65-20	<p><b>Annual Meeting with External and Internal Auditors</b> It was noted that discussions regarding the conducting of internal and external audit processes, engagement between the auditors and College staff, and reporting arrangements had been discussed as part of the meeting's previous agenda items.</p> <p>Both D Archibald and N Napier confirmed that they had no areas of concern to report to the Committee.</p> <p>The Chair stated that D Archibald and N Napier could directly contact him if any matters should arise at any point.</p>
	Meeting ended 1225 hours

<b>Agenda Item</b>	<b>Actions from Audit &amp; Risk Committee 20/05/20</b>	<b>Responsibility</b>	<b>Deadline</b>
58-20	Arrange for Henderson Loggie to provide Board Member training on risk management	P May with P Smith	In due course
58-20	Reconfirm management responses and associated deadlines from the five Internal Audit Reviews due to the potential for changed priorities and capacities in light of the COVID-19 pandemic	P Smith	As soon as possible

59-20	S Reid to confirm the requirement for the Committee to approve the External Audit Annual Plan	N. Napier	As soon as possible
60-20	Request College's Leadership Team to review draft Internal Audit Annual Plan in light of COVID-19 to advise if areas of focus remain appropriate	P Smith	01 July 2020
61-20	Consider rescheduled of cancelled Regional Board Strategy Event which was scheduled to be held in April 2020	P May with K Milroy & N Cowie	24 June 2020
61-20	Consider succession arrangements for the appointment of the Board's next Equality & Diversity Champion	Regional Board's Governance Steering Group	24 June 2020

**Signed:**.....

**Date:** .....