

Audit Committee

Draft Minutes

Meeting reference: Audit 2018-19/01

Date and time: Tuesday 18 September 2018 at 5.30pm

Location: Room 019

Members present: Jim Crooks, Ann Irvine, Margaret Cook, Anna Zvarikova

In attendance: Andrew Comrie, New Board Member
Jackie Mackenzie, Chief Operating Officer (COO)
Ken Brooker, Henderson Loggie
Maureen Masson, Board Secretary

Apologies: Lynn Oswald, Lorenz Cairns

Chair: Jim Crooks

Minute Taker: Maureen Masson, Secretary to the Board of Management

Quorum: 3

Summary of Action Items			
Ref		Responsibility	Time Line
*6.1	Health and Safety Annual Report Number paragraphs in the Health and Safety Annual Report. Undertake further analysis of the sickness absence figures.	Health and Safety Adviser Head of HR and OD	For completion of final report For next meeting
*6.2	Revised Health and Safety Policy For formal signing at the Board's next meeting	Board Secretary	10 October 2108
*7.1 and 7.3	Risk Appetite Health and Safety Risk Management profile as at August 2018 Identify and document the highest priority areas where there is no acceptable level of risk	COO	For next meeting
*7.2	Strategic Risk Register Include the recently emerging AST risk to the Risk Register	COO	ASAP
*8.2	Internal Audit Plan 2018/19 Finalise projects and timescales in the light of	COO	

	the discussion at the Committee		ASAP
12.1	Health and Safety Committee Make attendance at the Health and Safety Committee mandatory for members and/or their deputies.	Board Secretary	ASAP

Item	Action
<p>1 Welcome and Apologies</p> <p>The Chair welcomed everyone to the meeting. Apologies were received from Lynn Oswald, Stephen Reid and Rob Jones from EY and Stuart Inglis from Henderson Loggie. Ken Brooker was representing Henderson Loggie.</p>	
<p>2 Additions to the Agenda</p> <p>There were no additions to the agenda.</p>	
<p>3 Declaration of Interest in any Agenda Item</p> <p>There were no declarations of a conflict of interest.</p>	
<p>4 Minutes of the meeting of Audit Committee held on 22 May 2018</p> <p>The minutes were approved as a correct record.</p>	
<p>5 Actions arising from previous minutes</p> <p>Procurement Strategy and Annual Action Plan 2017-18</p> <p>Action - Check the date of the first Annual Procurement Report and ensure it was updated to the 2017 academic year end, as opposed to calendar year end.</p> <p>Action Update – the Board Secretary had spoken with the Director of International and Corporate Services who had confirmed the report should be prepared on a calendar year basis.</p> <p>6 Policies</p> <p>Action - Anti Bribery and Fraud Prevention Policies to be approved by the Board at its next meeting</p> <p>Action Update – complete</p> <p>Action - Review approach to policy development</p>	

Action Update – Policies will be considered by the Board and its Committees only when substantive changes are made

9.1 Annual Audit Plan

Action - Discuss at the next AST Board meeting, the implications of amendments to FRS102 effective next year.

Action Update – action complete - discussed at last AST Board meeting

10 GDPR

Action - Provide a further update to the Board of Management

Action update – action complete - considered by the Board at its last meeting on 13 June 2018

12.1 Health and Safety Committee Meeting

Action - Flag through the Chair of the H&S Committee that deputies should attend on behalf of any member submitting apologies.

Action update – raised with the Chair of the Health and Safety Committee and Health and Safety Adviser but noted that attendance remained an issue

15 and 16 Evaluation

Action - Complete evaluation for the provision of internal and external audit services and the circulation

Action Update – Complete

6. Health and Safety

***6.1 Health and Safety Annual Report**

The Committee approved the Health and Safety Annual Report which had been prepared by the Health and Safety Adviser. The Committee commended the report and welcomed its structure and content, whilst noting that numbering the paragraphs might help the reader navigate the report a little easier. The Committee also welcomed the fact that a 'golden copy' of the Health and Safety Manual would be updated electronically. In response to a query about emergency call outs, the COO reported that there no costs currently associated with the call outs. The Committee did not report any matters that required Board attention at its next meeting, in response to a question from the Chair.

Health and
Safety
Adviser

The Committee discussed the sickness absence figures. The Principal reported that further work was planned to ensure that the figures were being reported on a like-for like basis. This would be reported back to a future meeting of the Committee. This would be reported to a future Board meeting. The College took an active approach to sickness management and those reporting stress as a factor were immediately referred to Occupational Health, even before the normal trigger points took effect. Ongoing change management and performance management processes were thought to be a major factor in the increasing number of staff reporting sickness absence.

Head of
HR and
OD

***6.2 Revised Health and Safety Policy**

The Committee recommended that the policy be approved by the Board for formal signature at the next meeting. The Committee noted that there were no substantive changes to the policy.

Secretary

7 Risk Management

***7.1 Risk Appetite**

The Chief Operating Office introduced the paper which set out the College's approach to managing risk. The Committee noted that a portfolio approach was adopted using the UHI template and that risks were monitored on a quarterly basis by SMT. The Committee agreed this continued to be an appropriate way to manage risks. However, the Committee noted that the Board should also document priority areas where there was no acceptable level of risk e.g. in areas of child protection and safeguarding. This was in addition to the high level risks that were managed on an ongoing basis and should have visibility.

COO

***7.2 Strategic Risk Register**

The COO introduced the paper which set out the updated Risk Register for the first quarter.

In terms of emerging risks, the Committee discussed the matter of integration and whether that should be identified as a separate risk for the College. Audit Committee noted that the Assembly meeting on 26 September 2018 may identify some measurable outcomes and emerging priorities so it could assess at the next meeting whether this presented a risk to the College in the longer term. The Committee did, however, express concern that business as usual activity was not being progressed as quickly as it might be because of integration discussions.

The COO notified the Committee of a further emerging risk which would be raised at the Finance and General Purposes Committee on 25 September 2018. This concerned a matter relating to AST procurement activity and had been discussed at the recent AST Board Meeting. The risk was assessed as operational, but it had the potential to impact the

College as a financial and reputational risk. The COO explained that the College's internal auditors had reviewed the matter and mitigation measures had been identified to manage exposure.

The Audit Committee unanimously agreed that the risk should be recorded on the Risk Register and that it should monitor the controls that are put in place to mitigate the risk. The Committee noted that the minutes of the AST Board would be the proper route for the College Board to have visibility of the ongoing risk and implications, together with the AST accounts reviewed quarterly via F&GPC, but that the control and mitigation measures should have visibility via Audit Committee.

COO

The Committee approved the Risk Register subject to the addition of the AST Risk.

***7.3 Health and Safety Risk Management profile as at August 2018**

The Committee noted the Health and Safety Risk Management profile and that there were no red risks for this period.

The Committee agreed that a number of risks e.g. those related to vulnerable adults and child protection which were embedded in College processes should be made visible as noted earlier in the meeting as areas of the highest priority.

COO

8 Internal Audit

***8.1 Internal Audit Annual Plan Progress 2017-18**

The Committee noted the internal audit annual plan and progress report and that the position remained as reported at the last meeting.

***8.2 Internal Audit Plan 2018/19**

The Committee discussed the internal audit plan for 2018/19 noting it was still evolving as a working draft. The timing of some of the projects identified would be altered because other work ongoing. The Committee approved the plan subject to the following alterations:

- Payroll should be progressed this year as it would be helpful to review processes and test HR system interfaces and payments
- Under Resources - People, it would be beneficial to undertake this audit after the planned Curriculum Review was complete as the latter would inform the College's People Strategy
- The Committee noted that the planned international business audit may be impacted by BREXIT outcomes, so the timing of this audit would be kept under review.

COO

9 Annual Business Continuity Report

The Committee noted the report and that the plan had been well tested

during Academic Year 2017-18 and was found to be effective.

The College's Planning and Project Manager was taking forward actions identified for 2018-19.

10 EY Letter – Perth College Response

The Committee noted the final response prepared for EY. A draft response had been discussed at the last meeting and finalised for submission by 31 July 2018.

11 Committee Minutes

*12.1 Health and Safety Committee Meeting 3 May 2018

The Audit Committee noted the minutes and reiterated its concern about the number of apologies. Audit Committee recommended that attendance at the Health and Safety Committee should be mandated for all members or, when they could not attend, their deputies.

Board
Secretary

13 Date and time of next meeting – joint meeting with F&GPC

28 November 2018 at 5.30pm

*14 Review of Meeting

Members agreed the meeting had covered its Terms of Reference.

Information recorded in College minutes and papers is subject to release under the Freedom of Information (Scotland) Act 2002 (FOI(S)A). Certain exemptions apply: financial information relating to procurement items still under tender, legal advice from College lawyers, items related to national security.

Status of Papers **Open** **Closed**

An **open** item is one over which there would be no issues for the College in releasing the information to the public in response to a freedom of information request.

A **closed** item is one that contains information that could be withheld from release to the public because an exemption under the Freedom of Information (Scotland) Act 2002 applies.

The College may also be asked for information contained in minutes and papers about living individuals, under the terms of the Data Protection Act 1998.

Do the papers contain items which may be contentious under the terms of the Data Protection Act 1998? **Yes** **No**