

Audit Committee

MINUTES

Meeting reference: Audit 2019-20/03

Date and time: Tuesday 10 March 2020 at 5:30pm

Location: Room 019

Members present: Ann Irvine, Board Member
Andrew Comrie, Board Member
Lynn Oswald, Board Member (via teleconference)
Debbie Das Chaudhury, Student Board Member

In attendance: Margaret Cook, Principal
Lorenz Cairns, Depute Principal (Academic)
Veronica Lynch, Vice Principal (External)
Stuart Inglis, Henderson Loggie
Grace Scanlin, Ernst & Young
Graham Little, Interim Head of Finance
Katy Lees, Head of HR & Organisational Development
Ian McCartney, Clerk to the Board of Management

Apologies: No

Chair: Ann Irvine
Minute Taker: Ian McCartney
Quorum: 3

Summary of Action Items

Ref	Action	Responsibility	Time Line
1	Welcome Clerk to ensure that papers for extraordinary meeting of F&GP/Audit/ Board are circulated at least 1 week in advance of meeting	Clerk	Feb/Mar 2020
3.1	Business Development Strategy Defer to future Board for approval to allow for wider consultation (including Board Development Day).	Clerk	March or June Board
3.2	International Strategy Insert additional info re product ranges and present to next scheduled Board meeting	Vice Principal (External)	March Board
6	Minutes of Meeting held on 17 September 2019 External Auditor requested that wording of the minutes under Item 15 and Item 16 be reviewed to acknowledge that no opportunity was provided to discuss these matters, and to clarify that certain statements that were made were not properly verified.	Principal/Clerk	Next meeting
8.1	Strategic Risk Register		
	(a) Internal Auditors advised adding Asset Management onto the Register. This was agreed by Committee.	Clerk	Next meeting
	(b) Risk 1 - Residual Risk be to reduced to (2,4) based on trend data available.	Clerk	Next meeting
	(c) Risk24 - Reference to UHI's Cyber Essentials accreditation be added to actions taken to minimise risk.	Clerk	Next meeting
	(d) Risk 26 - Timescales re internal pensions arrangements be reviewed following the Audit processes and reflect any recommendation provided.	Clerk	Next meeting
	(e) Clerk to provide alternative methods for reporting risk within the next Board cycle.	Clerk	Next meeting
13	Date & Time of Next Meeting Clerk to ascertain alternative date for the meeting	Clerk	ASAP

Minutes:

Item		Action
1	<p>Welcome and Apologies</p> <p>The Chair welcomed everyone to the meeting, and noted the first attendance of a Student Board member at Audit following membership changes.</p>	
2	<p>Additions to the Agenda</p> <p>There were no additions to the Agenda.</p>	
3	<p>Declaration of Interest in any Agenda Item</p> <p>There were no declarations of a conflict of interest.</p>	
4	<p>Minutes of Meeting held on 11 December 2019</p> <p>Other than some minor typographical errors, the minutes were accepted as an accurate record.</p>	
5	<p>Minutes of Extraordinary Joint Meeting of Finance & General Purposes Committee and Audit Committee held on 11 February 2020</p> <p>The minutes were accepted as an accurate record.</p>	
6	<p>Matters Arising from Previous Minutes</p>	
	<p><u>Meeting of Audit Committee, 11 December 2019</u></p> <p><u>1 Welcome</u></p> <p>Action: Clerk to ensure that papers for Extraordinary Meetings of F&GP and Audit Committee are circulates at least 1 week in advance</p> <p>Action Update: Completed</p> <p><u>3.1 Business Development Strategy</u></p> <p>Action: Defer to future Board for approval to allow for wider consultation</p> <p>Action Update: Deferred to June Board</p> <p><u>3.2 International Strategy</u></p> <p>Action: Insert additional information re product ranges and present</p>	

	<p>to March Board</p> <p>Action Update: Completed</p> <p><u>6 Minutes of meeting of 17 September</u></p> <p>Action: Review wording of Items 15 & 16 following request by External Auditor</p> <p>Action Update: Completed</p> <p><u>8.1 Strategic Risk Register</u></p> <p>Actions:</p> <p>(a) Add Asset Management onto the Register</p> <p>(b) Residual Risk in Risk 1 be to reduced to (2,4) based on trend data available.</p> <p>(c) Risk24 - Reference to UHI's Cyber Essentials accreditation be added to actions taken to minimise risk.</p> <p>(d) Risk 26 - Timescales re internal pensions arrangements be reviewed following the Audit processes and reflect any recommendation provided.</p> <p>(e) Clerk to provide alternative methods for reporting risk within the next Board cycle.</p> <p>Action Updates for (a) to (e): Completed</p> <p>13 Date & Time Of Next Meeting</p> <p>Action: Clerk to ascertain alternative date for meeting</p> <p>Action Update: Completed</p>	
7	Compliance & Risk	
7.1	<p>UHI Investigation Report</p> <p>Principal presented Paper 3, the final Investigation Report received from UHI, noting the timeline of the complaint, investigation and report, and further noting the additional complexity provided by the issues raised during the External Audit process which required some separating out from the UHI process to ensure duplication of investigation was eradicated. As a result, Principal concluded, the UHI investigation report needed to be viewed alongside the External Auditors report.</p>	

Principal extended thanks to those staff members who had contributed to the investigation process, in particular noting the Interim Head of Finance, the Head of HR & Organisational Development and the Clerk to the Board of Management.

Principal advised that the report was presented to the Scottish Funding Council by UHI at the end of February 2020, and no response has been received on the matter from SFC or UHI as yet.

Principal drew Committees attention to the Action Plan element of the Report, and advised that UHI wished this Action Plan to remain separate from the combined Audits Action Plan (Paper 4), which was not the Colleges preferred process from monitoring purposes.

The Action Plan contains 18 recommendations, a number of which were completed or had been commenced prior to the Report being compiled.

Chair noted an expectation to see a summary of which parties spoke to whom within the process, however Principal's summary had explained this absence. Principal noted that a case could have been made to other aspects of the Report, however it was felt expedient to focus on proceeding with work on the Action Plan.

Board Member enquired as to whether clarification had been received regarding reporting processes against the Plan to SFC/Audit Scotland. Principal noted this information had not yet been received. Interim Head of Finance further noted it had been made clear during collation of the External Auditors report that SFC asked for the investigation therefore College would be unlikely to receive anything direct from Auditor General.

Board Member noted that, should the document be made public, College will need to have affective communications strategy in place.

Chair asked for clarification of where the full Action Plan was to be presented. Principal noted that the Plan is an internal document not intended for publication.

Board Member asked a question from within the main Report re teaching load allocation model, querying whether the £600k figure quoted had been picked up by UHI or by External Auditors. Principal noted that the figure was arrived at during budget process, and accurate at time budget was produced.

Board Member referred to Section 2.16, noting the minutes of the meeting identified "no record" of concerns being raised, yet Board Member recalls that there was concern raised. While noting the lessons learned regarding effective minute-taking and Committee's collective responsibility to ensure accuracy of minutes, Board Member asked whether any members of Audit Committee were

	spoken to during investigation. Principal noted that no independent members of any Board Committee other than the Chair of the Board had been contacted.	
7.2	Combined Audits Action Plan Vice Principal presented draft Audits Action Plan (Paper 4)	
7.3	Business Continuity Plan – Coronavirus Update & Risk Assessment Committee received Paper 6 for information.	
7.4	Review of Risk Register	
7.5	Procurement Annual Action Plan for 2020	
7.6	Safeguarding Management Processes	
8	FOI & Data Protection	
8.1	Freedom of Information & Data Protection – Quarterly Update	
9	Performance Management	
9.1	Balanced Scorecard	
10	Scheduled Audit Reports & Updates	
10.1	Internal Audit Plan 2019-20 Annual Plan	
10.2	Internal Audit Action 2018-19 – Management Progress Report: HR & Payroll	
10.3	Internal Audit Report: 2017-18 – Management Progress Report: IT Networks & Equalities Mainstreaming	
10.4	Internal Audit Report 2017-18: Management Progress Report: Health & Safety	

11	Committee Minutes Committee received minutes of Health & Safety Committee from 06 February 2020 for information.	
13	Date & Time of Next Meeting Tuesday 19 May 2020 at 5:30pm	
14	Review of Meeting Committee agreed that the Terms of Reference had been complied with.	

DRAFT

Information recorded in College minutes are 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.

Notes taken to help record minutes are also subject to Freedom of Information requests, and should be destroyed as soon as minutes are approved.

Status of Minutes – 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 about living individuals, under the terms of the Data Protection Act 2018. It is important that fact, rather than opinion, is recorded.

Do the minutes contain items which may be contentious under the terms of the Data Protection Act 1998?

Yes

No