



For the future you want

AUDIT & RISK ASSURANCE COMMITTEE

DRAFT MINUTES OF MEETING OF 09 FEBRUARY 2017

16:00 Boardroom, Granton Campus

Present: Ian Doig; Niki McKenzie Nigel Paul (Chair)

In attendance: Chris Brown (Scott-Moncrieff); Annette Bruton; Helen Russell (Audit Scotland); Gordon Smail (Audit Scotland); Marcus Walker (Clerk); Richard Whetton; Alan Williamson.

1 WELCOME AND APOLOGIES

1.1 No apologies received.

1.2 The Committee NOTED that Dr Fiona Riddoch, a non-executive member of the Board, had been confirmed as the new Chair of the Academic Council and therefore vacated her position on the Audit & Risk Assurance Committee. The Committee Chair, on behalf of members, thanked Dr Riddoch for her contribution to the Committee over the past 16 months.

1.3 The Committee Chair welcomed Gordon Smail, the Audit Scotland engagement lead, to his first meeting of the Committee.

2 DECLARATIONS OF INTEREST

2.1 No declarations of interests were received.

3 MINUTES OF PREVIOUS MEETING

3.1 The Board APPROVED the minutes from 23 November 2016 as an accurate record of the meeting.

4 MATTERS ARISING

4.1 Actions from the previous meeting were complete, overtaken or on the agenda, with the exception of the following:

4.1.1 Internal Audit Contingency Days (minute 5.8.4/23.11.16 refers)

The Committee NOTED that the Chief Operating Officer and the Internal Auditors had considered the addition of internal audit contingency days, and agreed areas of flexibility within the internal audit plan in order to respond to potential developments.

4.1.2 Risk Tolerance/Appetite (minutes 7.1.5/23.11.16 refers)

The Committee NOTED that an event to consider risk tolerances/appetite and future reporting to the Board would be scheduled to take place in May 2017.

5 INTERNAL AUDIT

5.1 SUMMARY OF AUDIT RECOMMENDATIONS

5.1.1 The Committee NOTED a report on progress against College's internal auditors recommendations previously reported to the Audit & Risk Assurance Committee in 2014/15 and 2015/16.

5.1.2 The Committee NOTED that a follow-up review on the PBB & Management Account audit undertaken in January, and a follow-up report would be provided by the internal auditors at the next meeting.

5.1.3 The Committee DISCUSSED the following matters relating to internal audit recommendations:

- (i) The 'amber' status of workforce management and succession planning and the risks relating to their delivery;
- (ii) the mandatory and regular training in place to support succession planning;
- (iii) ongoing reflections on the first iteration of the PBB process, and the planned two stage follow-up report on PBB which will be presented to the Committee in April and June 2017.

5.1.4 The Committee AGREED that, although progress on individual actions were well defined in the document, future summary reports should make it clear when audit recommendations were complete.

5.2 INTERNAL AUDIT PROGRESS REPORT

5.2.1 The Committee NOTED a summary of internal audit activity during the academic year 2016/17 (to date), which included details on the reviews planned for the coming quarter.

5.2.2 The Committee NOTED that a Payroll and Expenses Audit Report would be presented for members' consideration in April 2017. The Internal Auditor advised the Committee that the audit focussed on the links between HR systems and the payroll process, and would be beneficial to the new Head of HR and OD in ensuring that the department retained accurate data going forward.

6 RISK ASSURANCE

6.1 RISK MANAGEMENT REPORT

6.1.1 The Committee NOTED a risk management report as provided by the Head of Corporate Development, which highlighted progress in relation to risk management and reporting since the last meeting of the Committee in November.

6.1.2 The Committee NOTED that the Risk & Assurance Management Group (RMG) had recently met to review the Top Level Risk Register and consider strategic improvements in the management of risk throughout 2017. The Head of Corporate Development informed the Committee that following the meeting a Risk Management Improvement Plan had been created, which would be reviewed by the RMG on a regular basis.

6.1.3 The Committee NOTED amendments to the Top Level Risk Register since November, which included reassessments of the residual risk related to 'Poor Retention' (Risk 2) and a 'Shortfall in Commercial Income' (Risk 3).

6.1.4 The Committee DISCUSSED the following points relating to the Risk Management Improvement Plan and the Top Risk Register:

- (i) the new approach of the RMG to get senior staff actively involved in risk management, and cascading information to their colleagues;
- (ii) the important role of the RMG in providing consistency towards risk management and assurance across the College;
- (iii) the variation (if any) of risks between the four College campuses, and the role of duty managers;
- (iv) assurances around critical incident management and business continuity;
- (v) risk velocity, and the speed with which risks emerge and change;
- (vi) the risk rating relating to ongoing industrial relations, and the mitigation arrangements in place.

6.1.5 The Committee AGREED that it would welcome a further update on business continuity arrangements before the end of the academic year.

6.2 STUDENT EXPERIENCE RISK ASSURANCE REPORT

6.2.1 The Committee NOTED a report from the Principal on the processes employed in the College to provide ongoing monitoring and evaluation on the student experience. The Principal advised the Committee that the role of the Academic Council, a sub-committee of the Board of Management, was to retain oversight of learning and teaching, the student experience and

engagement, curriculum management, continued professional development, and quality enhancement and assurance.

6.2.2 The Committee NOTED that the College aimed to constantly improve the student experience, with a particular focus on the quality of learning, teaching and assessment. The Principal informed the Committee that, in order to achieve this, the College consistently monitored the quality of the student experience using a range of methods, including: Self-evaluations; student satisfaction surveys; the Reflective Practice Network, classroom observations; cross-college verification audits; performance reviews; and, student-led staff awards.

6.2.3 The Committee welcomed the Principal's report and DISCUSSED the following matters:

- (i) The consistency of arrangements across the College, and the need to ensure that quality assurance reviews are conducted across all departments;
- (ii) the proposed evaluation of support staff departments by the Head of Corporate Development;
- (iii) the benefits associated with the creation of curriculum leader roles.

6.2.3 The Committee NOTED the processes in place and the essential role of the Academic Council in monitoring and reviewing quality arrangements and the performance of the College.

7 ANY OTHER COMPETENT BUSINESS

7.1 HORIZON SCANNING REPORT

7.1.1 The Committee NOTED the key headlines relating to college sector funding following the publication of the Scottish Government's Draft Budget for 2017/18 on 15 December 2016. The Chief Operating Officer informed the Committee that the Budget would not become final until it had gone through the Scottish Parliament's Legislative process in April.

7.1.2 The Committee NOTED that discussions between trade unions and the National Joint Negotiating Committee (NJNC) in relation to pay terms and conditions could result in future industrial action if agreement was not reached.

7.1.3 The Committee NOTED an overview of potential tender issues arising from the Skills Development Scotland (SDS) Contracts Brief 2017, relating to foundation apprenticeships, the employability fund, and modern apprenticeships. The Committee DISCUSSED the changes arising and AGREED that it would be appropriate for the Executive to produce a briefing paper on the upcoming Employment & Skills Review for consideration by the Policy & Resources Committee.

7.2 SECTION 22 REPORT

- 7.2.1 The Committee NOTED that Audit Scotland had recently indicated that there would be a follow-up to the Section 22 report published in November 2016, and a new report would be laid before the Public Audit & Post-Legislative Scrutiny Committee (PAPL) in March. The Principal advised the Committee of the scope of the study and its timescale, with Audit Scotland commencing their work on 15 February.
- 7.2.2 The Committee NOTED that, in terms of governance, it was appropriate for the Committee to consider matters relating to the PAPL, as the next meeting of the Policy & Resources Committee would not take place until 18 April.
- 7.2.3 The Committee DISCUSSED the PAPL questions provided by Audit Scotland, and the range of information requested by the auditors. The Committee AGREED that it would be appropriate for the Chair, the Chair of the Policy & Resources Committee and the Chair of the Audit & Risk Assurance Committee to meet with the lead auditor as part of the process.
- 7.2.4 The Committee NOTED that a briefing of the PAPL would be provided to the Board at its next meeting on 14 February.

Chris Brown, Helen Russell and Gordon Smail left the meeting

7.3 INTERNAL AUDIT TENDER PROCESS UPDATE

- 7.3.1 The Committee NOTED that the Committee Chair and the Principal had met privately with senior auditors from Scott-Moncrieff, to seek assurances on their approach to future audit work, and were content to approve a one year extension to the internal audit contract.

8 DATE OF NEXT MEETING

- 8.1 The next meeting of the Audit & Risk Assurance Committee will take place on 20 April 2017, in the Boardroom, Milton Road Campus.

Meeting closed at 17:55