

**NOTES OF THE MEETING OF THE AUDIT COMMITTEE
HELD ON 28 SEPTEMBER 2022 at 4.30PM.**

The meeting was held remotely.

PRESENT:

David Watt	Committee Chair
Michael Payne	Committee Member
Margaret Swiderska	Committee Member
Sunita McKenna	Committee Member
Clare Walker	Committee Member
James Olatoke	Co-opted Committee Member

IN ATTENDANCE:

Jon Vincent	Principal
Janet Thomson	Vice Principal, Resources & College Development
Stuart Inglis	Henderson Loggie, Internal Auditor
Adrian Kolodziej	Azets Accounting Services, External Auditor
Scott Renton	Head of ICT (for Item 22.42)
Mairead Wood	Data Protection Officer (for Item 22.43)
Kirsty Mavor	Clerk to the Board (Minute Taker)

ACTION

22.34 WELCOME AND APOLOGIES

D Watt welcomed everyone including S McKenna and J Olatoke who were attending their first Audit Committee meeting. Apologies were noted from G Devlin, D Archibald and T Elliott.

22.35 DECLARATIONS OF INTEREST

There were no declarations of interest.

22.36 MINUTES OF MEETING HELD ON 2 MARCH 2022

The Minutes were agreed to be an accurate record of the meeting.

22.37 MATTERS ARISING – ACTION GRID

The Committee noted the updates on the Action Grid with most of the actions either complete or on the agenda. J Thomson provided an update on item 21.36 (College Assurance Framework) and advised that this will be progressed in time for the March meeting.

**Items for Discussion/ Decision
Systems of Internal Control**

22.38 UPDATED INTERNAL AUDIT PLAN 2022/23

The Internal Audit Plan was first considered by the Committee at its 25 May 2022 meeting. S Inglis presented the updated plan which incorporated the changes suggested at the May meeting. The main changes being (i) the proposed four-day review of Environmental Sustainability being deferred to 2023/24 and (ii) the five-day review of Student Fees and Contacts/Registry being brought forward to 2022/23. Also, the final column on the plan days allocation summary has been updated setting out the dates of all of the related previous reviews by Henderson Loggie per area.

The Committee was happy to approve the Internal Audit Plan for 2022/23 on the basis that the field dates will be agreed with management at a later date. Also, the Committee asked S Inglis to consider whether the audit assignment headlines could be worded differently in a couple of proposed audits so that they clearly match the outline scope.

22.39 INTERNAL AUDIT PLAN 2021/22 PROGRESS REPORT

S Inglis presented the Follow Up Report which is the final report within the 2021/22 Internal Audit Plan. From the nine recommendations from previous reports, four have been fully implemented, two have been partially implemented, two are not past agreed completion date, and one has been considered and not implemented for the reason given.

The Committee noted that of the two partially implemented recommendations, the one relating to electronic timesheets will be completed by 1 December 2022. The other recommendation relating to linking KPIs to the strategic risk register is in progress and is planned to be complete by 31 October 2022. With regard to the one recommendation that has been considered but not implemented, the Committee accepted the reasoning that it did not make economic sense to ask the payroll provider to provide an ISAE 3402 Controls Assurance Report. The Committee agreed that this area of work could be included in any future tender for HR/Payroll software.

Governance and Risk Management

22.40 COLLEGE STRATEGIC RISK REGISTER

J Thomson presented this report and advised that following a review process, the new risk register was now available for the Committee to consider. This new approach aligned risks with the College's five strategic plan themes.

J Thomson advised that there are thirteen risks in the new register of which three have a high residual risk score after

mitigating actions, five have a medium residual risk score and five have a low residual risk score.

The three areas with high residual risk scores are (i) implications of national bargaining and possible negative impact on employee relations (ii) failure to achieve SFC credits target and clawback of funding and (iii) failure to manage financial sustainability through the period of the financial plan. The Committee agreed with the risk assessment for these three areas and that the risk register reflected the reality of the challenges facing the College.

The Committee thanked J Thomson and the SLT for all the work behind improving the approach taken to the risk register. It was agreed that the covering paper accompanying the risk register had a useful commentary on highest risks and should provide information on what further mitigating actions have been taken to reduce the risk for any above the risk appetite. Also, a column should be added to show if the risk was increasing or decreasing. It was noted that the risk register will also be considered by Finance and Resources Committee and the Board.

JT

22.41 CLIMATE CHANGE ACTION PLAN UPDATE

J Thomson presented this item and it was noted that the Audit Committee will oversee the monitoring of progress against the action plan via quarterly reporting. The Board will be kept apprised of key developments.

The Committee was pleased to note the progress against the action plan and that both the College Climate Change Group and Utilities Consumption Reduction Action Group were now established. The Committee recognised that its role was to monitor process arrangements whereas the role of Finance and Resources Committee and the Board was to monitor the overarching aim of achieving net zero. The Committee formed the view that its monitoring of the Action Plan should advise the Finance and Resources Committee on how well the College is tracking against the overarching aim of achieving net zero. Also, more information should be provided on emissions data. However, it was accepted that the Finance and Resources Committee and the Board may take a different view on what information was required to fulfil their role in relation to the Climate Change Action Plan.

22.42 CYBER SECURITY UPDATE

S Renton joined the meeting to present his paper. He provided the following key updates: -

- Progress with achieving Cyber Security Plus accreditation (or recognised equivalent) has been delayed due to concerns with the supplier.
- A project is currently underway to migrate the main HR/Payroll system from an internally hosted solution to being cloud-hosted with Midland HR. This will allow for increased security including multi factor authentication.
- Internal penetration tests were now complete. The majority of the issues highlighted have been addressed with one low risk area outstanding.
- Steps have been taken to increase the College's cyber security through multi-factor authentication and increasing the capabilities of the College's anti-virus/malware protection

S Renton confirmed to the Committee that he was aware that 80% of reported enterprise malware encounters in the last 30 days took place within the education sector. The Committee was assured from the Report that the College was doing all it could to minimise this risk. It was agreed that the Cyber Security paper should not be disclosed.

22.43 DATA PROTECTION UPDATE

M Wood, Data Protection Officer, joined the meeting to present an overview of data protection within the College. She advised that her colleague, Graham Francis would be taking over the DPO role and, as part of his handover, he reviewed all of the College's data protection guidance with no major changes required.

From the report provided, the Committee was satisfied that all the appropriate processes were in place with regard to subject access, right to be forgotten and third-party requests and that deadlines were being met. The Committee was pleased to note that the level of data breaches/incidents remains low with 4 in 2022, none of which met the threshold to report to the ICO.

The Committee was pleased to note that the DPO had worked with ICT to create a 'Cyber Awareness (with GDPR)' training package to be used by all staff on CANVAS.

The Committee thanked M Wood for her report and wished her well.

Items for Information/Noting

22.44 INTERNAL AND EXTERNAL AUDIT ROLLING ACTION PLAN

J Thomson advised that, as at 19 September 2022, of five previous recommendation items, four are shown as partially implemented and one recommendation is shown as set aside as it was considered by the College but not implemented given the cost versus benefit of it.

The Committee noted the update.

22.45 BUSINESS PROCESS REVIEWS: TEACHING STAFF AND ROOM UTILISATION – PROGRESS REPORT

The purpose of this paper is to submit to the Committee a progress report on two business process reviews previously undertaken by the College's Internal Auditors, Henderson Loggie. It was agreed that these progress reports should be provided at six monthly intervals so that the Committee has sight of progress against the recommendations.

The Committee agreed that the impact of timetabling on the student experience was significant and it was important that progress was made in this area. It was further agreed that this progress report should be discussed at the March 2023 meeting and J Rafferty should be invited to attend. It was also requested to consider a future update to the Board of Management.

KM

22.46 AUDIT SCOTLAND REPORT: SCOTLAND'S COLLEGES 2022

The Committee noted with interest the key findings in this Report and particularly that Covid related funding assisted in ensuring a better than expected short term financial position for Scotland's Colleges. However, the long-term financial position is forecast to deteriorate and the impact on the student experience was negative. It was noted that this report will be considered by the Finance and Resources Committee and will be brought to the Board's attention via the Principal's Report.

JV/KM

22.47 AUDIT COMMITTEE SCHEDULE OF WORK

The Committee noted the schedule of work for 2022/23 and agreed that it should be updated throughout the year.

22.48 ANY OTHER BUSINESS

A Kolodziej confirmed that the external auditors did not have anything in particular to report for this meeting but the external audit starts next week.

DATE OF NEXT MEETING

4.30pm on Wednesday 23 November 2022.
At Langside campus.