

**AUDIT COMMITTEE**

**Minutes of Meeting held on  
Wednesday 11 December 2024  
At 12:00pm in the Boardroom and by MS Teams**

**Present:**

James Wells  
Grenville Johnston  
David Patterson

Caroline Webster  
Jessie McLeman  
Katy O'Connor (left @ 11.30)

**In Attendance:**

Murray Easton  
Derek Duncan  
Eleanor Melton (Clerk)  
Alex Hastings (Minutes)  
Michaela Munro

Nicola Wright (Deloitte – MS Teams)  
Phil Mason (Deloitte – MS Teams)  
Sean Morrison (BDO – MS Teams)  
Scott McCready (WBG – MS Teams)

Item		Action	Date
<b>A.24.04.01</b>	<b>(i) Resignations</b>		
1.1	There have been no new resignations.		
	<b>(ii) Appointments</b>		
1.2	There have been no new appointments.		
<b>A.24.04.02</b>	<b>Apologies for Absence</b>		
2.1	There were no apologies for absence received.		
<b>A.24.04.03</b>	<b>Any Additional Declarations of Interest including specific items on this Agenda</b>		
3.1	There were no additional declarations received.		
<b>A.24.04.04</b>	<b>Draft Minutes of Audit Committee meeting held on 3 October 2024</b>		
4.1	The minutes of the meeting held on 3 October 2024 were accepted as a true and accurate record: Proposed: Grenville Johnston Seconded: Jessie McLeman		
<b>A.24.03.05</b>	<b>Matters Arising from Audit Committee meeting held on 3 October 2024</b>		
5.1	<b>3.1</b> - Complete		
5.2	<b>6.1</b> - Complete		
5.3	<b>6.2</b> - Complete		
5.4	<b>7.1</b> – Complete – Derek sent to Alex today to forward to LTQ Committee.		
5.5	<b>11.1</b> - Complete		
<b>A.24.03.06</b>	<b>Governance</b>		
	<b>(i) Statement of Compliance with Code of Good Governance checklist - Review of College Report for AY 2023-24 RESERVED</b>		
6.1	This item is reserved, and the minute held in confidence.		

<b>A.24.04.07</b>	<b>Risk – Update</b>		
7.1	<p>Murray presented the paper and outlined changes in the risk profile. He advised that the Target Operating Model was now being reported as an emerging risk for the reasons outlined.</p> <p>EI advised that the OBC will be sent to all Boards on Monday 16 December, with Alastair MacColl attending the Board meeting in person the following day.</p> <p>Derek added that it would be important to investigate how we handle future consultation with staff, being mindful also of their wellbeing. A joined up approach across the partnership was recommended.</p> <p>Members discussed whether the Target Operating Model should remain as an emerging risk, rather than being added to the risk register. Jessie advised that this needs to be a risk for the Board to consider in terms of looking at the College’s position in ten years’ time. It was accepted that the TOM would be included in the Board agenda.</p> <p>Jessie asked if the Moray Growth Deal risk items related to both MAATIC and the BE Hub. Murray advised that this risk relates to the commercial phase of the BE Hub</p>		
<b>ACTION</b>	Murray to add the Target Operating Model to the risk register being presented to the Board.	<b>ME</b>	<b>17-12-24</b>
<b>A.24.04.08</b>	<b>Audit Register</b>		
	<b>(i) Review of Status – to be provided within item A.24.04.09</b>		
<b>A.24.04.09</b>	<b>Internal Audit</b>		
	<b>(i) IT General Controls Audit Report</b>		
9.1	<p>Sean supported the report, explaining that one medium significance finding was relating to data protection training and the fact that only 73% of staff have completed this.</p> <p>Derek explained that the training carried out in August was in person and suggested that standard compliance training on iHASCO would improve attendance and the ability to track compliance. Sean advised that iHASCO is used commonly amongst other clients.</p> <p>Jessie queried whether this report would go to the Staff Governance Committee. Derek stated that Carolyn Thomson would take ownership of the actions recommended from the report. It was agreed that the report is sent to the SGC.</p>		

	Jessie asked how often training is required for data protection. Derek advised that training is carried out annually to ensure staff are constantly aware of data breaches.		
<b>ACTION</b>	IT General Controls Audit Report to be shared with the SGC for further investigation.	<b>EM</b>	<b>ASAP</b>
	<b>(ii) Annual Internal Audit Report and Opinion 2023- 24</b>		
9.2	Sean supported the report and welcomed any questions. Jessie stated that there is no comment regarding value for money on the report, adding that the Government request this. Sean stated that he will review the template and look into this being added.		
	<b>(iii) Progress Report</b>		
9.3	Sean advised that the Risk Management audit is well underway. The Terms of Reference for payroll have been agreed and Sean will forward this to EI to share with members. Board Effectiveness and Procurement remain to be scoped. The Internal Audit is on track and within the agreed timescales.  This update was noted by the Committee.		
	<b>(iv) Risk Management – Terms of Reference</b>		
9.4	Sean welcomed questions regarding the report from members. Jessie queried whether risk mitigation is also included in the audit. Sean advised that the focus is the process itself, looking broadly across the risk register.  Jessie drew attention to mitigating risks relating to IT, as servers are managed by UHI, the College is unaware of how risks are being managed. Derek stated that an assurance statement is required from UHI. It was agreed that Sean would meet with Roger Sendall to discuss this.		
<b>ACTION</b>	Sean to discuss externally managed risk mitigation, regarding IT servers etc with Roger Sendall.	<b>SM (BDO)</b>	
<b>A.24.04.10</b>	<b>Internal Audit – Wylie Bisset</b>		
	<b>(i) Credits Audit 2023-24</b>		
10.1	Scott supported the report. There are two recommendations to be implemented following this year’s audit. Derek informed members that Stuart Cruickshank is comfortable with carrying out the recommendations.  Both Stuart and WBG were thanked for their work in this audit.		
	<b>(ii) Student Support Funds Audit 2023-24</b>		
10.2	Following the relevant testing, there were no recommendations. Scott confirmed that everything is in line with the relevant requirements.  Jessie queried the underspend in the summary of income and expenditure. Derek advised that this is due to SFC guidance constraints. Derek added that work is being carried out to maximise use of funding and ensuring that students are aware of potential opportunities.		

	<b>(iii) EMA Audit 2023-24</b>		
10.3	There was one recommendation arising from the EMA Audit regarding the retention of discussions held surrounding student attendance. This recommendation has been taken on board and discussions will be recorded within student records.		
<b>A.24.04.11</b>	<b>Policies Due for Review 2024-25</b>		
	<b>(i) Status Update</b>		
11.1	<p>Derek provided an update on the safeguarding policy and procedure being approved at the LTQ Committee meeting last week. The Student Disciplinary Procedure was also presented reflecting minor changes required for more effective implementation following changes in staffing arrangements.</p> <p>Derek advised that work is being done relating to the Travel and Subsistence Policy to ensure the HMRC guidance on rates is adhered to.</p> <p>Jessie asked for an update on the HRPRG. Derek advised that following months of Trade Unions refusing to attend, they are now reengaged, and the plan is to be redeveloped. Work has started on this and the group will be able to catch up. Derek added that these policies go to the SGC, and what the HRPRG approves is for noting.</p>		
<b>A.24.03.12</b>	<b>GDPR and Cyber Security Annual Review</b>		
12.1	<p>Derek supported the review, advising that it has been fairly consistent over the past three years. With regards to the 73% attendance rate for Data Protection training, Derek stated that some organisations have higher rates, and other are happy with between 70% and 80%. Derek added that in this case it is understood that the rate needs to be higher, following recommendations from the Internal Audit.</p> <p>Jessie asked if any plans have been made relating to the implementation of Marytn’s Law. Derek advised that not much progress has been made since the last meeting. It was agreed that this would be revisited at the next meeting.</p>		
<b>A.24.03.13</b>	<b>Committee Effectiveness Review Update - Verbal</b>		
13.1	El advised that questionnaires will be distributed to members in January, with the responses to be fed into BDO’s Board Effectiveness audit in March. El added that she does not envisage a lot of information being taken from this due to the low number of members on the Committee, however, will take whatever information is available.		
<b>A.24.04.14</b>	<b>Emerging Issues</b>		
14.1	Jessie asked if plans were in place regarding the National Fraud Initiative. Michaela advised that the College goes through this		

	process every two years and the May/June meeting will investigate this, following the data submission in January.		
<b>A.24.04.15</b>	<b>Date of Next Meeting – 20 February 2025</b>		
<b>RESERVED ITEMS</b>			
<b>A.24.04.16</b>	<b>Draft Reserved Minutes Audit Committee meeting held on 3 October 2024</b>		
16.1	This item is reserved, and the minute held in confidence.		
<b>A.24.04.17</b>	<b>Reserved Matters Arising from Audit Committee meeting held on 3 October 2024</b>		
17.1	This item is reserved, and the minute held in confidence.		
<b>A.24.04.18</b>	<b>Draft Annual Report to the Board from the Audit Committee</b>		
18.1	This item is reserved, and the minute held in confidence.		
	<i>Meeting closed at 13.30pm</i>		