

AUDIT COMMITTEE
Minutes of Meeting held on
Thursday 1 February 2024
in the Boardroom and via MS Teams

Present:

Jessie McLeman (Convener)
 Grenville Johnston

In Attendance:

David Patterson (left at 2.45pm)

Derek Duncan

Eleanor Melton (Clerk)

Alex Hastings (Minutes Secretary)

Shelly McInnes

Sean Morrison (BDO – MS Teams)

Phil Mason (Deloitte – MS Teams)

Item		Action	Date
A.24.01.01	(i) Resignations		
1.1	Resignations were received from Leigh Mair.		
	(ii) Appointments		
1.2	There have been no new appointments.		
A.24.01.02	Apologies for Absence		
2.1	No apologies were received.		
A.24.01.03	Any Additional Declarations of Interest including specific items on this Agenda		
3.1	Grenville Johnston declared that he has applied, and is currently going through the process, to join the Board.		
A.24.01.04	Draft Minutes of Audit Committee meeting held on 28 November 2024		
4.1	The minutes of the meeting held on 28 November 2023 were accepted as a true and accurate record: Proposed: Grenville Johnston Seconded: Jessie McLeman		
A.24.01.05	Matters Arising from Audit Committee meeting held on 28 November 2024		
5.1	<u>5.1</u> Ongoing – Derek pursuing whether a UHI Partnership wide test could be undertaken;		
5.2	<u>5.3</u> Complete		
5.3	<u>5.4</u> Ongoing – Derek stated that next week is the start of the UHI Sustainability Implementation Group, which he is a part of. Committee agreed to hold until October 2024 and the matter be on the agenda then.		
5.4	<u>5.6</u> Ongoing		
5.5	<u>5.8</u> Complete		

5.6	5.11 Complete but link to be circulated;	EM	
5.7	6.1 Complete – David in attendance today and report provided		
5.8	7.1 Complete		
5.9	8.1 Complete – Derek provided an update; his understanding of the methodology is that the numbers for the previous year were allocated out which causes confusion and will need to be reviewed.		
5.10	10.1.1 Complete		
5.11	10.1.2 Complete		
5.12	11.1 Complete – Clerk to circulate		
ACTION	Open; Clerk to circulate the proposed internal audit delivery schedule to cover the period 2023-2027, as provided by Sean.	EM	
5.13	11.2 Complete but Clerk to circulate to Committee	EM	
ACTION	Clerk to circulate the delivery schedule for the 2023-24 Internal Audit Plan, as provided by Sean.	EM	
5.14	13.1 Complete – Derek provided an update to the Committee		
5.15	14.1 Complete		
5.16	15.1 Ongoing – Derek has arranged a meeting with directors of Elgin BID		
A.24.01.06	Governance		
	(i) Statement of Compliance with Code of Good Governance checklist - Review of College Report for AY 2022-23 (RESERVED)		
6.1	This item is reserved, and the minute held in confidence.		
	(ii) Recruitment Update – Verbal (RESERVED)		
6.2	This item is reserved, and the minute held in confidence.		
	(iii) Internal Statutory Audit Services Update - Verbal (RESERVED)		
6.3	This item is reserved, and the minute held in confidence.		
A.24.01.07	Risk		
	(i) Review of Risk Register		
7.1	Shelly supported the paper, notifying the Committee that the Risk Register was up to date in terms of mitigation. Grenville and Jessie highlighted that there are several deadlines looming up. It was also highlighted by the Committee, regarding reputational risks, that in view of the press reports on the state of the College, the ramifications from this can have implications on a range of other risk areas. Jessie suggested the Committee undertake in the coming period a deep dive into the Moray Growth Deal risks and risk management arrangements; and also into a review of the Quality Framework, in reference to the External Verification from the SQA, relating to the resubmission of all assessment evidence for engineering apprentices to		

	<p>the SQA. Derek stated he is keen to investigate the SQA's request to carry out an audit on the compliance with the internal verification system. This was originally the responsibility of the Deputy Principal but will need to be reviewed. The Committee agreed for Derek to circulate the audit request comments from the SQA.</p> <p>The timing of the above would depend on availability and the status of developments. Convenor and Clerk to confer in advance of the May Audit Committee meeting to agree which discussion be scheduled for the May meeting, and which for the October meeting.</p>		
ACTION	Derek to circulate audit request for compliance with the internal verification system from the SQA.	DD	
ACTION	Convenor and Clerk to agree timetabling of deep dives at May and October Audit Committee meetings.	Convenor/ Clerk	May 2024
A.24.01.08	Audit Register		
	(i) Review of Status		
8.1	<p>Shelly notified the Committee that there had been no reviews since the last Audit Committee meeting. Some actions were the responsibility of the Deputy Principal but have now been reallocated to David. David will not actively be working on these actions, but they are his responsibility until otherwise allocated.</p> <p>Shely and Sean confirmed that three of the six actions were due to be reviewed and cleared by BDO, and the remaining three were now David's responsibility and to be worked on.</p>		
A.24.01.09	External Audit Update		
9.1	<p>The AY22/23 audit had been reviewed at the earlier meeting.</p> <p>Jessie asked if Phil would be in working on the audit for AY23/ 24. Phil stated it is likely he would be for the remainder of the contract, so providing continuity. Phil advised the Committee that he and Deloitte recognised the audit has not been a smooth process, and with the lessons learned, the intention is for items to be completed much sooner in next year's audit.</p> <p>Phil confirmed that Deloitte will submit their audit plan for AY23/24 in time for discussion at the Committee's 23 May 2024 meeting.</p> <p>The Committee noted Phil's update and thanked him for his input.</p>		
ACTION	Phil to provide Audit Plan for 2023/24 in time for discussion at Audit Committee meeting on 23 May.	PM	

A.24.01.10	Internal Audit - BDO		
	(i) Internal Audit 2023-27		
10.1	There was no paper provided, focus was on Audit Plan for 2023-2024. However, as agreed earlier in the meeting, the Clerk will circulate to the Committee the proposed internal audit plan for 2023-2027, as provided by Sean and updated after the discussion at the previous meeting.	EM	
	(ii) Internal Audit Plan 2023-24 Update		
	<p>Stock Control Audit: Sean supported his paper setting out the scope for this audit, due to commence at the end of February 2024. Shelly confirmed that the Terms of Reference had been agreed for this audit. The Committee had no further comments on the scope.</p> <p>Student Support Audit; Derek stated that the timeline of the audit plan was suitable but still had to double check for any issues and get back to Sean.</p> <p>Jessie advised Sean that the scopes should be completed in time so that they can come to the relevant Committee in advance. The Committee noted that Sean will complete the scopes accordingly.</p> <p>Jessie noted that the Committee had only seen the scope for the stock control audit. It was agreed that Derek will review and get comments to Sean on the remaining scopes to fit with his timescale.</p> <p>Sean notified the Committee that he had sent information on good practice they had observed in undertaking a deep dive to Shelly. It was agreed that the Clerk will circulate this information for the Committee's consideration in its work.</p>		
ACTION	Derek to provide Sean with his comments on the scope for the Student Support Audit such that it can be finalised and circulated to the Committee.	DD, thereafter EM	
ACTION	Clerk to circulate BDO's information on undertaking a deep dive.	EM	
A.24.01.11	Cyber Security/Physical Security Update		
11.1	<p>In terms of Cyber Security, Derek advised that the Cyber Audit on Resilience in Back-up and Security is due to start in either May or June this year. Depending on what happens in relation to proposed new legislation, i.e. Martyn's Law if enacted, it was noted that the Board would have a considerable input on this due to the potential eventual cost implications.</p> <p>Derek provided an update focusing on physical building security, outlining work that needs to be planned in 2024. The paper identifies the issues with the current estate in</p>		

	<p>terms of security, as was raised in the last Audit Committee meeting, that the UHI Moray Information Security Management System (ISMS) requires updating, along with the preparation to be aligned with the Enhanced Tier of the UK Protection Duty.</p> <p>The key deliverables in 2024 to improve campus security involved items such as designing a single point of entry and exit where practical, ID standards and protocols. Grenville noted that he had voluntarily signed the visitor's book at reception, but this is not a current requirement and was suggested by the Committee as an item to be reviewed as a priority, along with wearing of lanyards by all visitors. Identifying staff training requirements was also raised as a point of interest for 2024, whereby all staff can respond in line with UK Protect regulations.</p> <p>Jessie commented that the paper seemed primarily to be driven by the Cyber Security requirement and the need to protect data, consistent with those needs. The personal security aspects perhaps needed to be brought out more clearly.</p> <p>Derek notified the Committee that the estates team have numerous physical security responsibilities that require updated processes with modern safeguarding regulations. This update comes amidst an increase in fighting and anti-social behaviour on campus. Jessie asked what Derek would propose to improve our ability to react to these situations. Derek suggested that we adopt the same language and processes that are accessible via the UK Protect App.</p> <p>It was agreed that Derek would liaise with the police in order to understand what reasonable stances the College can take to improve physical security measures.</p>		
<p>A.24.01.12</p>	<p>Policies due for Review 2023-24</p>		
	<p>(i) Status Update</p>		
<p>12.1</p>	<p>Derek supported the paper providing an update on the statuses of policies, detailing that the only item to miss its target date was the CCTV Policy to be approved by the Finance and General Purposes Committee. Derek notified the Committee that F&GP ran out of time during the last meeting to go over this policy and it will be reviewed in the next meeting.</p> <p>Derek also notified the Committee that the HR Policy Review Group was due to meet on the 23rd of January, but the meeting was cancelled due to Trade Union representatives being unavailable to attend. A further</p>		

	update will be provided on what can be achieved between now and the end of the session at the next Audit Committee meeting.		
A.24.01.13	Committee Effectiveness Review Analysis		
13.1	<p>The Committee noted the report submitted by the Clerk on the most recent survey. It was discussed that there was a relatively low number of responses to the Audit Committee reviews however Jessie raised that there are a low number of members in each Committee as it stands, and she would be unable to provide a review of herself.</p> <p>The Committee agreed that a review needs to be undertaken by the Board. Grenville highlighted that there are a couple of Board members who seem relatively unhappy, going by the trend in responses. It was also noted that there was only one voting member in the Finance and General Purposes Review, this gives the Board no option of a balanced opinion.</p>		
ACTION	Clerk to raise item on Board of Management Agenda for a review and discussion on the responses.	EM	
A.24.01.14	Emerging Issues		
	(i) Update on Board Recruitment - Verbal		
14.1	Recruitment Update was provided by the Principal during item A.24.01.12 (ii)		
A.24.01.15	Date of next meeting – 23 May 2024		
RESERVED ITEMS			
A.24.01.16	Draft Reserved Minutes Audit Committee meeting held on 28 November 2023		
16.1	This item is reserved, and the minute held in confidence.		
A.24.01.17	Draft Annual Report to the Board from the Audit Committee		
17.1	This item is reserved, and the minute held in confidence.		
	<i>Meeting closed at 3.30pm</i>		