Fife College

Final Version

MINUTES

Minutes of the Audit and Risk Committee meeting held on Thursday 3 June 2021 at 3.30pm via Microsoft Teams.

Present: Susan Mitchell (Chair), Bob Black, Brian Fisher, Evelyn McPhail, Samantha Mowbray

In Attendance: Hugh Hall (Principal), Susan Dunsmuir, David Eardley (Azets), Stephen Reid (Ernst & Young), Rachel Wynne (Ernst & Young), Marianne Philp

1   Welcome

The Chair welcomed those present to the meeting.

2   Minutes of the Previous Meeting: 25 February 2021

The minutes of the previous meeting were approved as an accurate record.

3   Matters Arising / Actions Outstanding

The contents of the paper that had been circulated were noted.

4   Internal Audit

4.1   Update on Internal Audit Actions: Exception Report

The contents of the paper that had been circulated were noted. Page 10 of the Boardpack was highlighted, which showed that the College's action tracker in the period to April 2021 showed 7 actions, all of which had been completed.

4.2   Digital Capabilities

The contents of the report that had been circulated were noted. Good practice had been identified as outlined on page 22 of the Boardpack. Appendix 1 of the report detailed actions from the previous VLE audit carried out in 2019-20. One action remained incomplete and two were complete. It was confirmed that actions 2.1 and 3.1 had now been closed off, and action 1.1 had a new deadline of 30 June 2021 for completion.

4.3   Business Continuity and Cyber Resilience

The contents of the paper that had been circulated were noted. Good practice had been identified as outlined on page 36 of the Boardpack. Three grade 2 and one grade 3 recommendations had been identified, as outlined on pages 37-43 of the Boardpack. One of the recommendations was a repeat of action 1.1 referred to in item 4.2 above.

There was a discussion on some of the recommendations and it was noted that some additional posts within the Digital Services Team had been created to help increase capacity due to the ever increasing reliance placed on digital systems and risks such as CyberSecurity. It was suggested that the Chief Information Officer could be invited to attend the next Committee meeting to give further assurances if this would be useful.

4.4   Review of Business Improvement Function

The contents of the report that had been circulated were noted. Good practice had been identified as outlined on page 50 of the Boardpack. Three grade 2 and one grade 1 recommendations had been identified, as outlined on pages 52-56 of the Boardpack and had been agreed by management.

It was noted that the Business Improvement Team was under pressure as several projects had been identified to be taken forward. The importance of backfilling project team members in order that they could focus on the project without trying to participate while still having their day to day tasks to undertake was noted.

4.5   Internal Audit Plan 2021-22

The contents of the paper that had been circulated were noted. Members focused on Appendix 1 of the document and the suggested internal audits for 2021-22 and the future years' audits in particular.

There was a discussion about the timing of some audits, in particular the new campus project, staff wellbeing and student assessment. After discussion it was agreed that the timings as presented were appropriate. The internal auditors also confirmed that the plan was indicative and could be adjusted should needs or priorities change within the year.

Decision: To approve the internal audit plan 2021-22.
Responsibility: Internal Auditors / Chief Financial Officer   **Deadline:** 1 August 2021

5   External Audit Plan and Fee: Year Ending 31 July 2021

The contents of the paper that had been circulated were noted. Attention was drawn to the risks as outlined on page 87 of the Boardpack, which were consistent with those in previous years. Materiality levels as outlined on page 92 of the Boardpack were similarly consistent. It was noted that timescales as detailed within the paper had been agreed with the external auditors and College management.

Decision: To approve the external audit plan and fee.
Responsibility: External Auditors / Chief Financial Officer   **Deadline:** 31 July 2021

6   Accounting Policies

The contents of the paper that had been circulated were noted, and it was highlighted that there were no significant changes made from last year.

Decision: To approve the accounting policies.
Responsibility: Chief Financial Officer   **Deadline:** 31 July 2021

7   Strategic Risk Register 2020-21

The contents of the paper that had been circulated were noted. The changes to the risks as detailed in the covering paper were highlighted and noted. It was noted that one risk had been brought back within tolerance levels since the last meeting, and two risks remained outwith the tolerance levels. Risk 8 was discussed and it was agreed that this should remain outwith tolerance levels, but it was anticipated that by the next meeting this may have changed. The update, as approved by the Executive Team, was endorsed by the Committee.

8   National Fraud Initiative Update

The contents of the paper that had been circulated were noted.

9   Policies and Procedures
9.1   Whistleblowing Policy and Procedure
9.2   Fraud Prevention Policy and Response Plan

The contents of the paper that had been circulated were noted.

Decision: To endorse the changes made to the Whistleblowing Policy and Procedure and the Fraud Prevention Policy and response Plan.
Responsibility: Director: Governance and Compliance   **Deadline:** 31 July 2021

10   Review of Remit and Self-Evaluation and Annual Report to the Board

It was agreed that the remit was appropriate and no changes were required. Members also agreed the self-evaluation approach.

For the annual report members felt that the phenomenal response to the Covid environment from staff should be included and also that it should be noted that internal audit was more challenging when things were changing so quickly. The internal audit on finance however had been outstanding at a time when significant challenges were faced.

Decisions:
- To issue the self-evaluation template to Committee members for completion and to present results at the next meeting for discussion.
  Responsibility: Director: Governance and Compliance **Deadline:** 30 June 2021
- To feedback comments to the Director: Governance and Compliance for inclusion in the Annual Report.
  Responsibility: All Committee Members   **Deadline:** 30 June 2021

11   AOCB

It was noted that this was Bob Black's last meeting and he was due to step down from the Board on 31 July 2021 having served his maximum term of office as a Board member. The

Chair, on behalf of Committee members, thanked Bob Black for all he had contributed. In particular the adventure he had led the College on with risk management and his legendary bow tie model approach. The Chair added that Bob Black had always had an incredibly thoughtful approach and had presented well-constructed questions and challenge. She noted his generosity in giving his time, experience and expertise to others. The Chair also thanked Bob Black personally for the kindness he had shown to her when she had first joined the Board and when he had handed over the Chair of the Committee role to her.

12   Date of Next Meeting

Thursday 9 September 2021 at 3.30pm