

MINUTES

Meeting: Audit and Risk Committee: Private Meeting with Auditors

Date: Thursday 16 November 2023 at 1.30pm

Location: Microsoft Teams

Present: Brian Fisher (Chair), Mike Boyle, Evelyn McPhail, Samantha Mowbray

In Attendance: Ruth Holland (Mazars), Stephen Pringle (Wylie & Bisset), Marianne Philp

1 Welcome

The Chair welcomed those present to the meeting and reminded members that private meetings were arranged annually to give a formal opportunity to discuss any issues that may have arisen during the audit process. Additional private meetings could be requested at any time by the auditors or by Committee members.

2 External / Internal Audit Process

The external auditor was offered the opportunity to highlight any issues that may have arisen since Mazars had been appointed, and in particular during the audit of the year-end accounts. The external auditor confirmed that the audit process had been a positive experience and that the teams involved had been accommodating and helpful, resulting in a very smooth process.

There was a discussion about additional work that had been undertaken given this was the first year Mazars had been undertaking the year-end audit and it was noted that in future years less background information would be required which would reduce the workload.

The internal auditor was invited to highlight any issues that may have arisen since Wylie and Bisset had been appointed. The internal auditor echoed the comments made by the external auditors regarding the helpful approach by teams involved, advising that the planning process had gone exceptionally well and confirming that the funding review audits had all been submitted on time. The first of the planned internal audits had just commenced and the internal auditor expressed a desire for two-way feedback at an early stage on how these had gone.

There was a discussion about whether internal audits were being undertaken in the correct areas, whether the bar was set high enough and whether the College was over-resourced and used more complex processes compared to peers due to the lack of findings within recent internal audit reports. The auditors confirmed that they had not seen any evidence of over-resourcing when comparing Fife to other Colleges. The internal auditor confirmed that the areas in the internal audit plan were, in his opinion, the correct areas and that this had been drafted based on the College's Strategy and Strategic Risk Register.

Decision: To arrange an additional private meeting in 6 months to discuss feedback on initial audits, College resourcing levels and risk appetite.

Responsibility: Director: Governance and Compliance **Deadline:** May 2024

Final Version

MINUTES

Meeting: Audit and Risk Committee

Date: Thursday 16 November 2023 at 2.00pm

Location: Microsoft Teams

Present: Brian Fisher (Chair), Mike Boyle, Evelyn McPhail, Samantha Mowbray

In Attendance: Ruth Holland (Mazars), Jim Metcalfe, Stephen Pringle (Wylie & Bisset), James Thomson, Marianne Philp

1 Welcome

The Chair welcomed those present to the meeting.

2 Minutes of the Previous Meeting: 7 September 2023

It was requested that under action 8.2, an action be recorded to review the Internal Audit Plan for 2024-25 based on the level of findings from 2023-24 internal audits, considering time, effort and resource as part of overall risk management.

Subject to this one change, 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 Emerging Themes

There was a discussion about the following emerging themes:

- **RAAC:** an update had been provided recently on the findings of recent surveys that had been undertaken. It was noted that the Scottish Funding Council was being kept updated on survey findings (in relation to asbestos and RAAC) and that funding received was being used to prioritise these areas.
- **Industrial action:** members noted that this was impacting on students who had received their results late and Graduation Ceremonies had been postponed. It was noted that industrial action was set to continue and that no 2022-23 pay award had been agreed and a ballot for further industrial action was underway. Concern was noted that multiple years of delaying Graduation Ceremonies could have an impact on the College's reputation. Other impacts included a deterioration in working relationships between academic and professional services colleagues, and Academic Quality Committee had discussed whether there was an impact of the quality of delivery as well as students Graduating/progressing.

Decision: To provide an update to the Board of Governors on the impact of recent and future potential industrial action on students and staff.

Responsibility: Principal

Deadline: 7 December 2023

5 Strategic Risk Register

It was highlighted that the new format of strategic risk register could be presented at the meeting on 27 February 2024, subject to the Board approving the Corporate Strategy at the December 2023 meeting.

The contents of the paper that had been circulated were noted and the specific changes as outlined were highlighted.

There was a discussion about risk 8 relating to commercial income. Members advised that it would be useful to know the priority order of the actions being taken, and to see tangible actions that could be tracked month on month. Having a fit for purpose operating model and adaptability and agility were seen as key priorities that were not properly reflected in the existing risk register and could potentially be included in the updated version.

Decisions:

- To present a new format of strategic risk register at the next meeting for discussion and approval, taking into account the feedback provided by Committee members on priority and tracking actions and adaptability and agility.
- To revise the wording of risk 5 to include retention and achievement as well as student recruitment targets.
- To revise the wording of existing risks on national bargaining/job evaluation to ensure that these adequately address the current issues identified

Responsibility: Deputy Principal

Deadline: 27 February 2024

6 Internal Audit

6.1 Internal Audit Actions: Exceptions Report

The internal auditor confirmed that this report would be presented quarterly, as previously requested by members of the Committee. It was noted that the report included 6 recommendations. Three had been fully implemented, two partially implemented and one not implemented.

Members discussed the deadline for the first action in Appendix A and asked that this be brought forward given the length of time since this recommendation had been made. Mike Boyle reiterated his offer of support with the drafting/presentation of the report if this would be helpful to college management.

Decisions:

- In the Executive Summary of future reports, to show if the partially impacted recommendation is on target or not.
- To amend the deadline for the first action in Appendix A to June 2024 with a draft report being presented to the March 2024 Board for consideration.

Deadline: Internal Auditor

Deadline: 14 March 2024

6.2 Credits Audit 2022-23

The contents of the paper that had been circulated were noted. The overall conclusion noted 129,888 credits claimed against a target of 131,782. The relevant confirmations had been submitted to Scottish Funding Council with no recommendations being made by the auditors.

6.3 Student Support Funds 2022-23

The contents of the paper that had been circulated were noted. Attention was drawn to the summary of income and expenditure detailed on page 53 of the Boardpack which showed an underspend. Reassurances were given that College management would ensure that maximum levels of funding were allocated to students in future years, taking account the stringent guidance issued. The relevant confirmations had been submitted to Scottish Funding Council and SAAS with no recommendations being made by the auditors.

6.4 Educational Maintenance Allowance 2022-23

The contents of the paper that had been circulated were noted. The internal auditor confirmed that this had been a straight forward audit, no recommendations had been made, and that the return had been submitted by the deadline.

6.5 Internal Audit Plan 2023-24 to 2025-26

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

Decision: To homologate the decisions taken by email correspondence to approve the Internal Audit Plan and to note the final version.

Responsibility: Director: Governance & Compliance **Deadline:** 17 November 2023

7 Draft Audit Committee Report to the Board of Governors

The contents of the paper that had been circulated were noted. Members were reminded that the report was required as part of the annual accounts sign-off process and was provided to give assurances around our controls and processes.

It was suggested that the Committee remit did not reflect the recent introduction of emerging risks to Committee discussions and this should be added.

Decisions:

- To approve the draft Audit Committee Annual Report for submission to the Board of Governors, noting that two sections required to be updated following the private meeting which took place immediately prior to the Audit and Risk Committee meeting.
Responsibility: Deputy Principal **Deadline:** 7 December 2023
- To update the Committee remit to include the introduction of emerging risks to Committee discussions.
Responsibility: Director: Governance and Compliance **Deadline:** 27 February 2024

8 Review of Meeting

No business was transacted.

9 Date of Next Meeting

Tuesday 27 February 2024 at 3.30pm