

West College Scotland

Audit Committee

Minute of Meeting held on Wednesday 6 September 2023, via Teams

Present: G Lyall (Chair) [GL]
R Leitch [RL]
J Russell [JR]

In Attendance: L Connolly, Principal [LC]
A McDonald, Vice Principal Operations [AM]
A Ritchie, Director of Finance [AR]
V Mulholland, Head of Finance & Student Funding [VM], (Item AM728 only)
B Stobbs, Head of IT [BS]
L Friel, Student Funding Manager [LF] (Item AM728 only)
S Pringle, Wylie & Bisset (Auditor) [SP]
S McDonald, Governance Manager [SM]
(Minutes)

AM724 Welcome & Apologies

The Chair welcomed everyone to the meeting and noted apologies from A Kolodziej, Azets (External Auditor).

AM725 Declaration of Interests

The standing declarations of interests of members, as available on the Register of Interests on the College website, were noted as current. There were no specific interests declared regarding the items on the agenda.

AM726 Minute of Meeting held on 26 May 2023

The minutes of the meeting held on Thursday 26 May 2022 **were approved** as an accurate record of discussions.

AM727 Actions from the Minute and other Matters Arising

The Committee **noted** the actions taken and outstanding since the last meeting and **agreed** that the completed actions could now be removed.

AM728 Introduction – Student Funding Team

VM introduced Lynette Friel, Student Funding Manager, who was in attendance to give Members an overview of the Student Funding Team and their varied roles and responsibilities. She highlighted a few of the areas to Members.

LF advised Members that as well as being responsible for the Student Funding budget, their role also included working alongside Student Advisory Services to assess around 2,800 student funding applications. She noted that work had been undertaken to reduce the turnaround for payments provided to students to under 24 hours (last year it had been one week, and previously had been up to four weeks). This was all against a background of late information and guidance being provided by the Scottish Funding Council and Scottish Government. WCS had taken the decision to go ahead with student assessments, whilst waiting on this guidance, with any major issues being identified for students being pushed back to the SFC.

VM noted that SMT were continually questioning these delays through their sector networks and requested that any Members also take forward the frustrations in the lateness of this guidance through their own networks. VM highlighted that the decisions taken to change the process were important to ensure a positive student experience.

LF advised that the Team also work closely with MIS and Student Services for the annual data audit. She advised that no issues of significance had been raised at the recent audit, with the auditors previously providing clean unqualified audit certificates.

LF noted the good relationship in place with our software provider. VM emphasised that this was to such an extent that WCS was normally the first College in the sector to open applications and were often involved in reviewing and providing the specification for any required changes to the system.

AR summarised by noting to Members, £14m of funds processed through the Team. He further noted the good working relationship with the Students Association, which allowed early identification and resolve of any issues. He also noted the Student Funding Audit would be discussed later in the agenda.

The Chair, on behalf of the Committee, thanked Lynette for the information provided. He re-iterated the frustrations with the late provision of guidance, however, commended the College for their actions to ensure the positive student experience.

The Committee noted the positive information provided on Student Funding

AM729 Remit, Membership & Dates of Meetings for 2023/2024

The Chair advised that the main change to the remit was the change of name of the Committee to Audit & Risk Committee. This change would not alter the existing remit but enhance it to ensure the Committee would continue to provide assurance to the Board on the adequacy of the Risk Management Framework and process to meet audit requirements. He further noted that the other Committees of the Board would also have a role in reviewing and monitoring Risk and would provide a summary to the Audit Committee to include in their report to the Board. He added that he was supportive of this change.

The Committee were advised that one further amendment may be required, should the October 2023 Board approve a recommendation from the Nominations Committee. This would be to reduce the maximum term for Co-opted Members to four years.

AM added that the addition to the Remit would allow the Committee to ensure they were happy with the process of identification of risk and allow the provision to test and challenge SMT.

RL agreed this was a good addition to the Remit to provide assurances in the approaches and process to risk management.

SP noted the good approach followed by the College. He did note that he felt that key aspects of risk have been covered by the Committee and that the revisions could only enhance the previous practices.

The Committee approved the changes to the remit (noting one further change to be made on the tenure of co-opted members, following approval by the Board). The membership and 2023/24 meeting dates were noted. The Remit would now be submitted to the Board for final approval.

AM731 2022/2023 Audit Report to the Board

The Chair spoke to the Report, which was in the standard format, detailing the work carried out by the Audit Committee during the period 1 August 2022 to 31 July 2023. It was noted that the Annual Report was a requirement of both the Scottish Funding Council (SFC) Financial Memorandum and the Scottish Public Finance Manual. This report complied with the requirements of these documents.

The Chair advised that the report provided a fair reflection of the work undertaken by the Committee. He noted that based on the assessments and reports provided by the internal / external auditors and College management, he was satisfied that the Audit Committee had satisfactorily discharged its responsibilities to the Board of Management for the 2022-23 year.

The Audit Committee approved the content of the draft Annual Report from the Audit Committee to the Board of Management.

AM733 Risk Management Policy (Revised)

AM advised that the Policy had been revised to include changes to Board Committee Remits on the review process as well as the changes to current operations.

AM advised that the risk management policy would be reviewed in six months to ensure it meets requirements.

Apologies were made that the Committee had not received the document with tracked changes. AR advised on the major changes to the Policy:

- 2.4 – the inclusion of all Board Committees to oversee operational risk management and mitigation;
- 4.15 and 4.16 – changes to contextualise risk;
- 4.34 – 4.39 – clarifies the risk cycle.

AM noted that the Audit Committee has overview of assurance, with other Committees and Senior Management Team carrying out the monitoring of risk.

JR noted the inclusion of the explanations of the risk appetite. She further asked if the job title of the person carrying out the EIA could be included. **Action: AR**

The Chair noted the good practice to revisit the policy within six months. He noted a couple of minor amendments to the Policy:

- Reference to Audit & Risk Committee;

- P7 add bullet point under Audit & Risk Committee, for other committees to provide summary report at least twice yearly indicating their level of comfort regarding the risk areas under their remit.;
- 4.27, separate IT Security / DP as a separate key risk area from Digital categorisation and risk appetite statement.

AM further noted the change to the categorisation required for the IT Security/DP risks to be more averse. She also noted the need to add high level risks to the Board and Committees (2.4)

Action: AM & AR

Subject to the minor changes noted above, the Committee approved the revised Risk Management Policy.

AM734 Anti-Fraud & Corruption Policy (Revised)

AR advised the Committee that there were no significant changes to the Policy. However, as part of its two year review, the following changes were proposed:

- hyper-links and relevant policy documents had been updated;
- Disclosure of fraud report (9.24) updated to require consideration by the Audit Committee prior to release of report;
- If a no action decision is taken this must be validated by Principal and Chair of Audit Committee (10.2).

The Audit Committee approved the revised Anti-Fraud and Corruption Policy.

AM736 2022/2023 External Audit Progress Report

AR updated the Committee on the ongoing preparations for the forthcoming Credit and Funding Audit, as well as the Phase 1 of the Internal Audit Plan for 2023/2024.

AM updated on the recent changes with External Audit. AR advised that those changes as well as the flow of information from the College, combined with the agreed strike action dates (7 and 18 September) may have an overall impact, with the SFC set deadlines may not be met, all being due to external factors out with our control. He noted that the Auditors were due on site the following week.

The Committee noted the update provided.

AM737 Internal Audit 2022/2023 Annual Report

Stephen Pringle, Wylie & Bisset, presented the Internal Audit Report 2022-23 which formed part of the suite of year-end reports and was designed to assist the Board of Management inform its governance statement contained within the College Financial Statements.

He documented the scope and responsibilities of both management and the Internal Auditors and reported the internal audit opinion on the adequacy and effectiveness of management's internal control systems as follows:

"We are satisfied that sufficient internal audit work has been undertaken to allow us to draw a conclusion as to the adequacy and effectiveness of the College's risk

management, control and governance processes. In our opinion West College Scotland did have adequate and effective risk management, control and governance processes to manage its achievement of the College's objectives at the time of our audit work. In our opinion, the College has proper arrangements to promote and secure value for money. Our fieldwork was carried out between September 2022 and March 2023, and we have not undertaken any further internal audit assignments at the time of this report."

SP advised that all Audits undertaken had resulted in 'strong' or 'substantial' conclusions, with the College better than average against the other organisations benchmarked.

The Audit Committee considered and approved the contents of the Internal Audit Report 2022-23, which would also be submitted to the joint meeting of Audit and Corporate Development Committee in November.

AM738 Internal Audit Progress Report 2023/2024

SP advised that the planning for the Funding Audits would be taking place over the next few weeks. He further advised that the Internal Audit Plan would commence from October 2023.

The Committee noted the update.

AM739 Rolling Audit Action Plan

AR noted the report providing an update on the status of recommendations made by auditors. He advised that the College has made good progress through implementing 10 recommendations (50%) since the previous Committee. It is hoped that the Auditors will recommend that these can now be removed from the Action Plan.

AR advised that there are seven recommendations where an extension to the previously stated deadline is being requested. Most of the seven recommendations are reliant upon the review of the College Corporate Strategy being completed, which the Board has agreed to review during the early part of 2023-24.

The remaining extension requests, Safeguarding for students on use of College computers will be taken forward now that the Head of HR&OD is now in place; and Mobile Device Management is noted separately.

The final 3 recommendations are in progress with relevant deadline dates in the future.

The seven date extension requests had been made in relation to:

- Safeguarding to introduce a system to identify concerns relating to students use of college computers (to 31 January 2024)
- Update Corporate Strategy to include the aims and objectives of the IT Strategy (to 30 April 2024)
- Update Corporate Strategy to include aims in relation to sustainability and carbon management (to 30 April 2024).

- To identify and link the Sustainability Strategy with other college strategies (to 30 April 2024)
- Extend the Mobile Device Management and Multi-Factor Authentication functionality to further protect College data (to 31 March 2024)
- Introduce a standard practice across all sectors and campuses for short listing of applications and the recording of the interview process
- To revisit People Strategy to align timeframes with revised Corporate Strategy (to 30 April 2024)
- To develop People Strategy actions plans so that these link with the corporate strategy objectives and include SMART KPIs (to 30 April 2024)

The Committee were asked for comment on the requests:

RL noted the request regarding Mobile Device Management (MDM) takes it to nearly two years from original deadline. He asked what the challenges were with the delay and with this can we be sure we are doing everything possible in case of a data breach. BS advised staffing issues as well as other commitments taking priority. This had included unexpected challenges with the introduction of Multi Factor Authentication. He further noted that MDM actions would not help prevent any cyber-attack.

RL noted the benefit of identifying where data has left from, giving ability to recover quicker. BS noted that some actions were already in place for mobile phones and tablets, and that this audit action was to remote laptop devices that had lost contact with our network. He further noted that a lot of our systems were currently cloud based and that there should not be college data on remote desktops.

The Chair asked about the College's position on connecting USB devices. BS advised that this was not part of this action plan, however, there were recommended actions on the use of these devices, via the Acceptable Use Policy. AM further updated that a list of authorised devices for connecting would be developed this year, with a set of controls and mitigations to not negate on the good work being undertaken using these devices across some operational areas.

AM also advised the Committee that the re-shaping of the IT Team would allow for dedicated staff to concentrate on proper testing processes, including penetration testing, as well as Cyber Security. The Chair and RL stressed that this restructuring needs to be concluded as soon as possible.

The Audit Committee:

- **Noted the good progress made in closing off 50% of recommendations.**
 - **Approved the date extension of six of the seven recommendations.**
 - **Asked that the MDM date be reviewed to see if it could be brought forward, taking into consideration current resource issues and other high priorities.**
- Action: AM**
- **Noted the progress being made on the remaining actions.**

The Audit Committee noted the 2023-24 Schedule of Business that would be submitted to each meeting.

AM741 Any Other Business

- AM noted that this would be the last meeting of the Committee attended by AR. She noted his professionalism and attention to detail would be missed. She thanked Alan for his hard work and dedication to the College over the years. The Chair, on behalf of the Committee, noted his thanks for Alan's diligence and hard work.
- The Chair asked if the Board would be receiving an update on RAAC at its next meeting. LC advised that information on RAAC had been provided to SFC and Scottish Government and that she would be providing a full update at the Board meeting. LC noted that it was hoped this focus may provide a route to funding to resolve the problem. She further advised that discussions were in place with our professional advisers on increasing current inspections. **Action: LC**

AM advised on the current inspection process and noted that the structural engineer had advised that there was no immediate danger with the Finnart Workshop Block campus roof. AM further advised that as per the Fixed Asset Valuation noted earlier, the planned actions and timeline were commensurate with the lifespan of the roof.

AM further noted that a full inspection had been undertaken across all properties and that we were not aware of any RAAC elsewhere.

LC noted that to date we had not been mentioned in any media, however advised that there was an increase in political interest on the position in Greenock and the investment in infrastructure.

AM742 Date of Next Meeting:

- Date of Next meeting:
Joint Committee - 21 November 2023 at 4.00pm by TEAMS
Audit Committee - 31 January 2024 at 4.00 p.m. by TEAMS

With no further business raised, the Chair closed the meeting.