

## **Audit Committee**

Minute of Meeting of the Audit Committee held on **Thursday 7 June 2018** at 9.30am in the Barbour Suite.

Present:               Graham Hope (Chair)  
                          Sue Cook  
                          Simon Ashpool  
                          Colin Miller  
                          Norman Ross

In attendance:       Mhairi Harrington (Principal & Chief Executive)  
                          Jennifer McLaren (Vice Principal, Finance & Curriculum Services)  
                          George Hotchkiss (Vice Principal, Curriculum & Planning)  
                          Simon Earp (Vice Principal, Curriculum & Enterprise) until 18.29  
                          David Eardley (Scott-Moncrieff, Internal Auditors)  
                          Claire Stevenson (Scotti-Moncrieff, Internal Auditors)  
                          Ruth Holland (Mazars, External Auditors)  
                          Emily Purdie (Health & Safety Officer) 18.20 only  
                          Karine McNair (Board Secretary)

### **18.16 Welcome/Apologies**

Lucy Nutley (Mazars, External Auditor) sent apologies and Ruth Holland represented Mazars at the meeting.

### **18.17 Declarations of Interest**

There were no declarations of interest.

### **18.18 Minute of Meeting of 8 March 2018**

The Minute of the meeting of the Audit Committee of 8 March 2018 was approved as a correct record.

### **18.19 Matters Arising from Minute of Meeting of 8 March 2018**

All actions were duly completed and noted.

**18.20 Health & Safety Quarterly Report**

The Health & Safety Officer presented paper 3 noting that all scheduled events had taken place with any actions being followed up. Under new legislation, one piece of equipment had to be registered for ionising regulations. Processes are in place to ensure that the new Principal will be the named person for the new Health & Safety Policy.

The Committee were interested in the training delivery document at Appendix 3. The Health & Safety Officer confirmed that obtaining the reports had been a very time consuming manual job and it was discussed that the intention to use a module of West Lothian Council's Payroll/HR System had been postponed due to Council matters. The Principal recommended that alternative programmes were considered to ensure that the College wasn't dependent on the Council's systems since it was important that Health & Safety training information was recorded.

**Action 1: Vice Principal, Finance & Curriculum Services & Health & Safety Officer**

The Committee were concerned that it was difficult to see whether staff identified as requiring the training were the ones who had actually completed the courses and wondered whether it was possible that staff were not focussing on the courses that were mandatory to them. The Health & Safety Officer confirmed that staff's training needs are identified by the departments and incorporated into Personal Learning Plans, which should focus staff on the courses needing completed and allow departments to track individual completion.

In particular, the Committee noted that manual handling training had fallen short of its completion target and this could leave the College open to risk of staff injury and absence. The Principal confirmed that all staff are also given internal training which is organised by departmental managers which should mitigate the risk of not completing the online training.

The Health & Safety Officer noted that the Induction Training module figures were incomplete since this was usually delivered by Human Resources on the first day of work. Going forward, Human Resources have agreed to update the records on moodle on behalf of the employee so that more accurate figures can be tracked.

The Principal noted that the online training figures don't show the whole picture since there is also a combination of workshop and external training that staff undertake and the overall programme is very comprehensive.

The Committee wanted reassurance that all online training needs which had been identified as mandatory for certain staff had been completed or steps were being taken to ensure that the courses will be taken to show that a system was in place for ensuring Health & Safety risks are mitigated. The Health & Safety Officer undertook to provide this information in a fuller report at the next meeting.

**Action 2: Vice Principal, Finance & Curriculum Services & Health & Safety Officer**

The Committee also noted certain incidents which had involved irritation to salon customers' eyes and knife cuts in Hospitality. The Health & Safety Officer confirmed that all incidents had been investigated, correctly reported and follow up action to mitigate future incidents had been taken.

Vice Principal , Curriculum & Planning, confirmed that he had spoken to staff and they confirmed that students are very well briefed before they were introduced to industry standard utensils however there was an inevitable learning curve since these are far sharper than domestic products.

The Committee noted the report.

**18.21 Internal Audit – Student Marketing, Applications & Admissions**

The Internal Auditors presented paper 4 noting that any comments are mostly low grade improvement recommendations based on increasing efficiency and streamlining. They are currently undertaking a more in-depth look at the journey of admissions from marketing to enrolled student and will report on this at the next meeting.

The report highlighted that the system for Full Time students is very efficient and easy to use however there are areas for improvement for Part Time students where the process is still very manual.

The Committee noted that attainment for Full Time FE students was still low in some areas with a relatively high withdrawal rate and considered that there needs to be further investigation into the whole process of recruitment to see if students are not being matched to the correct course or being recruited in the correct way to support attainment.

The Internal Auditors noted that their recommendation to review the resource intensive interview process was to look at streamlining so that the interview process was targeted at courses where competition was fierce or at those courses with concerns about recruitment and attainment. In this way, resources could be better targeted. Current College policy requires 2 staff to

be at the interview and in their sample of 15 interviews, 25% of the interviews were taken by 1 member of staff showing the huge pull on resources.

Vice Principal, Curriculum & Enterprise, confirmed that the interview policy was not a new debate and the Admissions Committee regularly discussed the best way to recruit students effectively. It has been considered that interviews might not be necessary where students are progressing through successive courses but that sometimes for new students, the interview process is their first chance to meet with staff which can help put a friendly face to the College.

The Principal suggested that it would be good to have a review of the interview process to make clearer objectives and the Management Action under control objective 4 of the report should be changed to the responsibility of the Admissions Committee only.

### **Action 3: Vice Principal, Curriculum & Enterprise**

The Committee noted the report.

## **18.22 External Audit Plan**

The External Auditors presented paper 5 which was in a new format for this year but was largely similar to last year's plan.

It was confirmed that Mazars have internal actuaries to check the pension valuations and that since the grant funding given to the College is so highly regulated, they have a lower threshold for checking this source of funding.

The Vice Principal, Finance & Curriculum Services has worked with the External Auditors regarding the sign-off of the 2017-18 Financial Statements following the retirement of the current Principal.

The fees have been proposed by Audit Scotland and Mazars propose charging their fees at the mid-point of the scale. Vice Principal, Finance & Curriculum Services, confirmed that the proposed fees have been included in the College budget.

The Committee noted the plan.

## **18.23 Review of IT Service**

Vice Principal, Finance & Curriculum Services, presented paper 6 which provided an update on the IT review undertaken in conjunction with experts from Napier University. The review is expected to be complete by June 2018.

The College has also undertaken a Cyber Essentials pre-assessment. The report has made 11 recommendations. The College is not currently significantly exposed to the risk of a cyber-attack but will take forward the recommendations by November 2018 to increase its robustness. The College is also working closely with the Scottish Government who have established a working group to gather information about public sector data threats and this dedicated team share the information and best practice of dealing with the dynamic nature of cyber-attacks.

The new GDPR Officer is also working with College IT to ensure that the College systems are compliant with the new GDPR regulations and the College systems security certificate has been upgraded

#### **18.24 College Audit Rolling Action Plan**

Vice Principal, Finance & Curriculum Services, presented paper 7. The Committee commented on the very positive progress the Rolling Action Plan had made over the course of the year and were happy with the current position.

The Committee agreed to note the report.

#### **18.25 Strategic Risk Register**

The Principal gave an update on the key risks and challenges for the College.

##### **Risk 1 Developing the Young Workforce – risk maintained at medium**

The Foundation Apprenticeship targets remain a stretch target but there has been healthy enrolment and the retainment of students is good. Vice Principal, Curriculum & Enterprise has been to see every secondary school head teacher to discuss the opportunities of the Foundation Apprenticeship and it is hoped that by building on the relationships with the secondary schools, the uptake of the Foundation Apprenticeships will be greater.

However, the Foundation Apprenticeship programme is a programme of such substance that it is difficult to not identify it as a risk when it is in such early stages of implementation. The Committee noted that West Lothian College are performing above the sector average and any challenges experienced at the College are shared with the entire sector.

The Committee were interested to know which West Lothian schools participated in the Foundation Apprenticeship programme and to what extent and requested that this information be provided to the Learner Attainment Sub Group.

**Action 4: Vice Principal, Curriculum & Enterprise****Key risk 2 – Developing Scotland’s Workforce – risk maintained at high**

This key risk is under close review by the Senior Team due to the attainment issues experience at some Full Time Further Education courses. It is encouraging that the Scottish Funding Council has given the College a 2% increase in its credit allocation for 2018-19 and there are some good indications of success at this late stage of the term.

The Principal noted special mention to the excellent work being done by Bill Dunsmuir, Student Systems Manager, as the quality of data now available is far superior to that previously used and it is much more consistent under Bill’s “One Truth” agenda.

The Committee heard that some students are leaving for financial reasons. Vice Principal, Finance & Curriculum Services, confirmed that additional student funding had been successfully applied for in the in-year redistribution exercise and allocated to students. It was also acknowledged that mental health is playing a far greater role in student’s ability to success at College.

**Key risk 3 – Widening Access – risk reduced to medium**

Equalities targets are making progress however equal gender representation still remains a challenge. The Women in STEM recruitment was smaller this year and the College are actively working with schools and universities to try to address any gender imbalances.

There have been very constructive discussions with Edinburgh University and Queen Margaret University about progression of College students onto university courses and in particular, College staff have been invited to attend course design discussions at Queen Margaret University which is a very positive collaborative step.

**Key risk 4 – Enterprise & Innovation - maintained as medium**

Due to a couple of unknown outcomes especially with regard to the Children’s Hearings Scotland tender, the risk remains as medium but the College otherwise has a healthy commercial portfolio.

Special mention was made of the Commercial team and the high quality bid they have submitted for the Children’s Hearing Scotland tender. The College will hear the results of the tender by September and in the meantime, they are tendering for the interim contract for the period October 2018 to December 2018.

**Key risk 5 – Ensuring Sustainability - maintained as high**

Generally the College is in a healthy position and the 2018-19 Budget will demonstrate the financial stability for next year. However, the ongoing risk remains with the unknown outcomes of National Bargaining. For the sake of the 2018-19 Budget, assumptions have been made on the current Employer's Association offers, however, the offers have not been accepted and the outlook remains uncertain.

The Chair thanked the Principal for a very thorough report.

**18.26 College Key Performance Indicators (KPIs) 2017-18**

Vice Principal, Finance & Curriculum Services, presented paper 9 noting that cash is low due to Scottish Government expectations that Colleges do not have surplus funds. Again, the information available from Student Systems was praised as it enables better quality reports to be obtained.

**18.27 Committee Remit Review**

Board Secretary presented paper 10 and the Committee agreed to recommend the Committee Remit to the Board for approval.

**Action 5 – Board Secretary****18.28 Any Other Business**

Vice Principal, Curriculum & Planning, noted that at the last Board meeting some feedback had been received from Board Members that the Notifiable Events procedures needed to be made more robust. The process has been discussed and it was decided that the Senior Team would discuss any events and conclude whether it was a Notifiable Event to OSCR. Any Notifiable Events would be logged in a register and the information would be passed to OSCR notwithstanding that other agencies may also need to be informed as a matter of urgency.

It was confirmed that only matters of significant or reputational damage would need to be reported to OSCR and given previous experience, it was not expected that the College would have many matters to report.

The Committee were reminded that they have a responsibility as Board Members and Trustees of the College to report any Notifiable Events to OSCR. It was felt that Board Members may need to be briefed in this additional responsibility and the Board Secretary undertook to provide the

information in the papers for the next Board Meeting. However, it was noted that the behaviour asked of Board Members in reporting a Notifiable Event was no different to their conduct in general and therefore it was not felt that this was an onerous responsibility, rather it sat within the normal responsibilities of a Board Member.

**Action 6: Board Secretary**

There were no other items of business.

**18.29 Review of Meeting, Supporting Papers and Training Needs**

The Audit Committee was content with the meeting and supporting papers presented.

The Committee was broadly happy with the 2019 Committee Development Plan and were keen to have a meeting in a West Lothian Partnership Centre. Vice Principal, Curriculum & Planning, undertook to find out where the College were working with the Partnership Centres and to coordinate a meeting of the Committee in a Partnership Centre when there was something of relevance to the College to see.

**Action 7: Vice Principal, Curriculum & Planning**

In relation to specific training needs identified by the Committee, the Board Secretary noted that Colleges Development Network had launched some online training for Audit Committees. Before sending the information to all Board Members, the Board Secretary had trialled the information and had found it not to be working so had contacted Colleges Development Network to resolve the issue before alerting Board Members to the training.

Mazars had also offered a training workshop for all Board Members on 'Challenge & Effectiveness' and a date was proposed as before the Board Meeting on 18 September 2018. The Committee agreed that all Board Members should be invited and the Board Secretary undertook to arrange this with Mazars.

**Action 8: Board Secretary**

# West Lothian College

6 September 2018

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## 18.30 Date of Next Meeting

The next meeting would take place on Thursday 6 September at 9.30am.

Note: There were no matters discussed during the meeting, during which Members declared any conflict of interest, or the Secretary to the Board was aware from the Register of Interests that discussion could give rise to such a conflict.

Signed .....  
Chair, Audit Committee

Date .....