

West Lothian College

30 November 2017

Audit Committee

Minute of Meeting of the Audit Committee held on **Thursday 7 September 2017** at 9.30am in the Barbour Suite.

Present: Graham Hope (Chair)
 Simon Ashpool
 Sue Cook

In attendance: Mhairi Harrington (Principal & Chief Executive)
 Jennifer McLaren (Vice Principal, Finance & Curriculum Services)
 George Hotchkiss (Vice Principal, Curriculum & Planning)
 Paula White (Facilities Manager, Item 17.40)
 David Eardley (Scott-Moncrieff, Internal Auditors)
 Lucy Nutley (Mazars, External Auditors)
 Joanna Paterson (Board Secretary)

17.30 Welcome/Apologies

The Chair welcomed everyone to the meeting. Apologies were noted from Norman Ross.

17.31 Declarations of Interest

There were no declarations of interest.

17.32 Minute of Meeting of 6 June 2017

The Minute of the meeting of the Audit Committee of 6 June 2017 was approved as a correct record.

17.33 Matters Arising from Minute of Meeting of 6 June 2017

Members noted paper 2 detailing actions duly completed following the meeting of 6 June 2017.

There were no other matters arising not otherwise on the agenda.

17.34 Annual Internal Audit Report 2016-17

Vice Principal, Finance & Curriculum Services, introduced the Annual Internal Audit Report for 2016-17. It was noted that this was required under the College's Financial Memorandum with the Scottish Funding Council.

David Eardley advised that the report included reference to one review, organisational well-being, which had been completed and a management response agreed, but not yet reported to the Committee. This report would be discussed at the November 2017 Committee meeting.

It was agreed that the Annual Report was a useful report and that it was helpful to see the control objective assessments presented visually.

The Committee noted that in the opinion of Internal Audit, the College has a framework of controls in place that provides reasonable assurance regarding the effective and efficient achievement of objectives and the management of key risks, with proper arrangements in place to promote value for money and deliver best value.

The Committee agreed to note the report, which would form part of the governance statement for the annual accounts and also be made available to the Funding Council.

17.35 Internal Audit Plan 2017-18 to 2019-20

Vice Principal, Finance & Curriculum Services, introduced the revised draft Internal Plan for 2017-18, set within the context of the 3 year plan to 2020.

Following discussion at the last meeting, the Plan had been revised following re-prioritisation by the Senior Team of the timing and relative priority for three proposed areas connected to attainment and the learner experience in order to gain the maximum added value from the audit activity. The scope of the IT review had also been agreed and contained within the Plan.

It was noted that the attainment and learner experience reviews would consider the process from both staff and student perspective and had the potential to add a lot of value to what could be quite a cluttered process.

The Committee agreed to approve the plan for 2017-18.

17.36 External Audit Progress Report

Vice Principal, Finance & Curriculum Services, introduced the paper from the External Auditors providing a progress update on delivering the responsibilities expected of external auditors.

The paper also highlighted key emerging national issues and developments, and included an example audit report based on the new model issued by Audit Scotland.

It was noted that the implications of one of the highlighted rulings in relation to VAT had been explored by the College but would not be taken forward as it did not sufficiently benefit the College.

The Committee noted that the Audit Scotland report into Scotland's Colleges 2017 had identified a cost to the sector of £80 million over three years for National Bargaining.

The Committee agreed to note the report.

17.37 College Audit Rolling Action Plan

Vice Principal, Finance & Curriculum Services, introduced paper 6 showing progress in implementing recommendations previously agreed.

The Committee agreed to note the progress that was being made against plan and congratulated the executive team on the small number of action points that were now being reported in the Plan.

17.38 Financial Regulations and Schedule of Financial Approvals

Vice Principal, Finance & Curriculum Services, introduced paper 6 highlighting proposed changes to the Financial Regulations to reflect changes in job titles, the move to the Scottish Government Banking Service, and the requirement to produce 5 year financial forecasts. A change was also proposed to the Schedule of Financial Approvals to allow Vice Principals to sign SDS contracts and to add a separate line for signing-off staff contracts.

It was agreed that section 17.3, Private Consultancies and Other Paid Work, should be amended to refer to 'written' consent of the Principal and applications submitted 'in writing'.

The Committee agreed to recommend approval of the revised Financial Regulations and Schedule of Financial Approvals to the Board.

Action 1: Vice Principal, Finance & Curriculum Services; Board Secretary

17.39 Strategic Risk Register 2017-18 Update

The Principal presented paper 8 setting out the recommendations from a review of the Strategic Risk Register for 2017-2018 and taking into account the Regional Plan 2017-20, progress with the Employer Association and National Bargaining, the Government Spending Review and continued legislative changes.

The five key strategic risks emerging from the review process were (1) developing the young workforce (2) developing Scotland's workforce (3) widening access to learning and skills (4) building enterprise and innovation and (5) ensuring sustainability.

The estimated tolerance thresholds for each risk had also been reviewed, taking into account previous considerations by the Board and Committee in relation to the Board appetite for risk.

In relation to developing the young workforce, it was noted that there may be opportunities to deliver Foundation Apprenticeships in other regions and that the College had well-developed systems and processes that allowed teams to respond swiftly to emerging opportunities.

In relation to widening access, it was noted that the marketing strategy included outreach work and partnership with other key agencies as well as use of publicity and other materials. It was noted that much of the outreach and access work took place in the Local Authority Partnership Centres.

It was agreed that it would be useful for Board members to get the opportunity to see some of the facilities available in the Partnership Centres and it would be helpful to arrange a Board meeting or other event in one of the Centres over the next 12 months.

Action 2: Board Secretary

There was some discussion of the importance of providing opportunities for care experienced learners and the value of developing strong local partnerships to provide appropriate support and opportunities for this group.

The Committee agreed the Strategic Risk Register for 2017-18 and agreed the Risk Tolerance threshold levels set for 2017-18.

The Committee noted that following discussion at both Finance and General Purposes and this Committee it had been agreed to share the strategic risk register with the Board on an annual basis, for information. It was noted that this would be on the agenda for the September Board meeting.

17.40 Health & Safety Quarterly Report

The Facilities Manager introduced the quarterly report to June 2017.

It was noted that the Counter Terrorist Evacuation procedure had been approved by the Senior Team and arrangements for dissemination were being rolled out.

The Committee noted that training videos would be made available on the Moodle site. The pattern of use and completion of the training would be tracked for a six month period to assess whether they were being used.

It was noted that future reports would separate out 'violence' and 'threats of violence' and this would be reflected in the next update to the Committee.

Members noted the summary of corrective actions taken following the Health and Safety Audit. Assurances had been provided that any outstanding actions would be completed by the end of September.

The Committee agreed to note the report and expressed their appreciation for the level of assurance provided.

17.41 College Key Performance Indicators 2016-17

Vice Principal, Finance and Curriculum Services, introduced paper 10 showing the College's Key Financial and Non-Financial Performance Indicators (KPIs) for 2016-17.

It was noted that the financial KPIs were ahead of target due to additional income generated both through commercial activity and part time fee income. In relation to learner KPIs, it was noted that targets were identified based on longer term trends as well as the previous year's performance and were aimed at achieving continuous improvement.

Members noted the report.

17.42 Any Other Business

There were no other items of business.

17.43 Review of Meeting, Supporting Papers and Development Plan

The Committee were content with the meeting, the information received and supporting papers presented.

The Committee noted the updated Development Plan. The Board Secretary advised that the vacancy in Committee membership identified in the plan had now been filled and that Colin Miller would be joining the Committee from the November meeting.

It was noted that a campus visit would be arranged for the start of the March 2018 meeting.

It was agreed that no further changes were required to the Development Plan.

17.44 Date of Next Meeting

The next meeting would take place on Thursday 30 November 2017 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