

West Lothian College

6 June 2019

Audit Committee

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

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

In attendance: Jackie Galbraith (Principal & Chief Executive)
 Jennifer McLaren (Vice Principal, Finance & Curriculum Services)
 George Hotchkiss (Vice Principal, Curriculum & Planning)
 Simon Earp (Vice Principal, Curriculum & Enterprise)
 David Eardley (Scott-Moncrieff, Internal Auditors)
 Nicola McKenzie (Scott-Moncrieff, Internal Auditors)
 Emily Purdie (Health & Safety Officer) item 18.55 only
 Karine McNair (Board Secretary)

Visit to Engineering Centre

The meeting started with a visit to the Engineering Centre where the Committee were shown around the department by Gordon Weir and observed a welding class being run by Alan Marshall. Out of date equipment was one of the main issues discussed and the Committee were made aware of the areas of investment which are required to bring the facilities as close to industry standard as possible.

The Committee thanked the staff and students for their time and input to the discussion.

19.01 Welcome/Apologies

The Chair welcomed everyone to the meeting. Apologies were received from Lucy Nutley of Mazars.

19.02 Declarations of Interest

There were no declarations of interest.

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19.03 Minute of Meeting of 29 November 2018

It was requested that the minute be amended at 18.56 on page 7 to include a statement such as “It was acknowledged that there had been some year to year declines in the period despite the overall improvement in 3 years.”

Action 1 – Board Secretary

The Minute of the meeting of the Audit Committee of 29 November 2018 was otherwise approved as a correct record.

19.04 Matters Arising from Minute of Meeting of 29 November 2018

All actions were duly completed and noted.

19.05 Internal Audit Reports

(i) Core Financial Systems

The Internal Auditors presented paper 3a summarising that they had gained assurance that robust processes were in place with only some minor recommendations.

Vice Principal, Finance & Curriculum Services, confirmed that the Finance Procedure Manual would be updated by June 2019.

(ii) Performance Management

The Internal Auditors presented paper 3b commenting that any recommendations were to focus on continuous improvement rather than major remediation.

Recommendation 1 was a challenge to management rather than a requirement to change. The Internal Auditors were satisfied that management had reviewed the position and supported their decision to not change any of the processes. The Committee asked whether the Internal Auditors had examined the process at operational level and if they were satisfied that accountability is suitably measured at operational level. The Internal Auditors confirmed that they were satisfied that the College operated a wide range of operational management indicators that were fit for purpose and offered to expand the wording in the report to remove any implication of lacking processes.

Action 2 – Internal Auditors

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The Committee were asked whether they would find the RAG rating helpful in the information they receive (Recommendation 2) and concluded that at this stage they didn't feel that a RAG rating would add any value to the comprehensive information provided.

It was considered that the Board may find RAG ratings helpful as a way to prioritise the information when presented at Board level. Vice Principal, Finance & Curriculum Services, confirmed that a RAG rating could be discussed at the next Board Meeting in conjunction with the presentation of the draft Regional Outcome Agreement.

Action 3 – Vice Principal, Finance & Curriculum Services

Regarding Recommendation 3, the Committee considered that the Audit Committee would need both financial and non-financial KPI information. In general, the Committee thought that the provision of both sets of KPI information to all Committees was not onerous since each Committee put a slightly different focus on the information depending on their remit.

Action 4 – Vice Principal, Finance & Curriculum Services

19.06 College Audit Rolling Action Plan

Vice Principal, Curriculum & Enterprise noted that recommendation 1 had slightly changed following feedback from the Finance & General Purposes Committee, whereby the strategy documents were redefined as operational guides rather than strategies and the Board will be asked to input into a strategic plan at the forthcoming Strategy Day.

19.07 Review of IT Service

Vice Principal, Finance & Curriculum Services, presented paper 5 noting that the SFC funding would only address the immediate needs of the IT infrastructure and further significant investment was required to improve the overall standard.

The College were working closely with Edinburgh Napier University to review and upgrade the IT estate within the College.

19.08 Strategic Risk Register

Vice Principal, Finance & Curriculum Services, presented paper 6 and the following risks were commented on;

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Strategic Risk 2

Vice Principal, Curriculum & Planning, commented that there had been some changes to programmes in response to student feedback and students were actively being helped to ensure full rather than partial completion of courses. The reasons for 2018-19 early withdrawal were being investigated. The College has been offering financial support to students experiencing poverty to help them remain on course at College which has been helped by the in-year redistribution of funding by the SFC.

Strategic Risk 3

Vice Principal, Curriculum & Enterprise, updated the Committee that FWDF will exceed the target for the year. A part time contract administration post has been created for the Children's Hearing Scotland (CHS) contract to ensure strict adherence to the contract terms and any initial issues raised by CHS have either been mitigated or resolved.

Strategic Risk 5

Vice Principal, Finance & Curriculum Services, noted that the SFC estates maintenance grant has been reduced and the indicative funding allocation shows that the College's funding will be significantly reduced in 2019-20. The Committee were concerned about the impact this may have on Health & Safety as they were informed about a structural issue with the wall in the games hall which requires immediate rectification. In order to make the necessary repairs to the games hall the College will be making a request to the Scottish Funding Council.

Strategic Risk 6

The Committee noted the increase to pension costs which will have a significant impact on College staff costs. Vice Principal, Finance & Curriculum Services, confirmed that Colleges Scotland are lobbying the Scottish Government to obtain funding to cover the increase in staff costs.

19.09 Health & Safety**(i) Quarterly Health & Safety Report**

The Health & Safety Officer, presented paper 7 noting that an audit had recently been carried out of the Hair & Beauty centre to try and address some of the issues which had been experienced with the equipment there. The Health & Safety Officer is working with facilities staff to find solutions for storing hairdryers in particular, in attempt to stop the cables wearing away and causing incidents. Staff have been issued with documentation on how to check the equipment before use and it is hoped that both these measures will reduce further incidents.

The Health & Safety Officer confirmed that the difference in definition between incidents 15 and 21 was whether the incident had taken place on campus.

(ii) Annual Health & Safety Report

The Health & Safety Officer, presented paper 8 noting that there had been an increase in reporting incidents when she had taken post as this was to encourage a culture of reporting incidents so they would be remedied. With proactive intervention, the reported incidents are now reducing.

The Committee queried whether there had been a duplication of figures in the 2017 “illness” and “pre-existing conditions” categories and the Health & Safety Office undertook to check these figures.

Action 5 – Health & Safety Officer

The Committee thanked the Health & Safety Officer for the report.

19.10 College Key Performance Indicators (KPIs) 2017-18

Vice Principal, Finance & Curriculum Services, presented paper 9 noting that in future the early withdrawal figures would be expressed as a percentage and actual numbers to provide more context to the information. It was confirmed that the 2017-18 figures are now final and the 2018-19 figures are ‘to date’ with some possibility of movement especially for part time courses.

19.11 Self Evaluation of Committee

Management left the room and the Committee discussed the various prompts for self-evaluation. A separate paper will be produced showing the feedback from this exercise at the next meeting.

Action 6 – Board Secretary

19.12 Any Other Business

The Chair announced that he will be stepping down from the Committee and not seeking reappointment to the Board when his term ends at the end of March 2019. He thanked management for their input and support to the Committee over his term.

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The Principal thanked the Chair for his service to the Committee and his skilful chairing of the Committee

The Committee expressed their thanks to the Chair for his contribution to the Committee and the Board.

There were no items of other business.

19.13 Review of Meeting, Supporting Papers and Training Needs

The Audit Committee was content with the meeting and supporting papers

19.14 Date of Next Meeting

The next meeting would take place on Thursday 6 June 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