

West Lothian College

5 March 2020

Audit Committee

Minute of Meeting of the Audit Committee held on **Thursday 28 November** at 9.30am in the Principal's office.

Present: Sue Cook (Chair)
Simon Ashpool

In attendance: Moira Niven (Chair of Finance & General Purposes Committee)
Jennifer McLaren (Vice Principal, Finance & Curriculum Services)
Simon Earp (Vice Principal, Curriculum & Enterprise)
David Eardley (Scott-Moncrieff, Internal Auditors)
Lucy Nutley (Mazars, External Auditors)
Alyce Russell (Mazars, External Auditors)
Emily Purdie (Health & Safety Officer) item 19.54 only
Karine McNair (Board Secretary)

Campus Visit

The meeting began with a visit to the Motor Vehicle area and in particular to view the hybrid car. All Committee Members were very impressed and interested in the tour.

19.45 Welcome/Apologies

The Chair welcomed everyone to the meeting. Apologies were received from Colin Miller and Claire Probert and Jackie Galbraith.

19.46 Declarations of Interest

There were no declarations of interest.

19.47 Minute of Meeting of 12 September 2019

The Minute of the meeting of the Audit Committee of 12 September 2019 was approved as a correct record.

19.48 Matters Arising from Minute of Meeting of 12 September 2019

Regarding Action 1 the Health & Safety Officer confirmed that the Facilities Manager had discussed the alarm alerts with the provider company and the issue of notifying the College will remain a live discussion at future meetings with the provider company. It was confirmed that the Audit Committee would be informed of any future non notification of alarm activation.

Regarding Action 2, the Health & Safety Officer had offered de-escalation training to the Student Association officers, however they declined on the basis they felt they did not need the training. The Committee were concerned for the safety of the Student Association in their isolated office and requested that the Health & Safety Officer deliver the training as mandatory.

Action 1: Health & Safety Officer

Regarding Action 3, the Health & Safety Officer confirmed that training will be delivered to 13 staff and 1 student. After the training the College will be applying for an Epilepsy Friendly award.

Regarding Action 4, Vice Principal, Finance & Curriculum Services noted that due to the introduction of Professional Standards the paperwork for PLPs had significantly changed so the Quality Manager had allowed certain staff an extended deadline. An update to the completion rate will be brought to the next Audit Committee meeting.

Action 2: Vice Principal, Finance & Curriculum Services

All other actions were duly completed and noted.

19.49 External Audit Reports

(i) Annual Report & Financial Statements 2018-2019

Vice Principal, Finance & Curriculum Services, presented paper 3 noting that the Financial Statements are prepared in accordance with Accounting Standards and guidance from the SFC. The Committee noted that the deficit was due to the impact of the actuarial revaluation of the pension provisions. The committee was asked to note the adjusted operating surplus position after adjusting for non-cash one-off or distorting items required by the SORP. The summary sheet showed the financial position of the College at the year-end as per the management accounts. The college achieved a reduced surplus compared to budget due to investment in the infrastructure and IT and was able to achieve this due to cost control and a strong commercial performance.

The Chair of the Finance & General Purposes Committee provided a brief summary of the discussion of the financial statements that had taken place at the recent Finance & General Purposes Committee. The Audit Committee agreed that more training was required for all Board Members of all Colleges to be able to properly scrutinise the financial statements for Colleges. The Board Secretary was asked to gain

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contact Colleges Development Network to request face to face training on actual College financial statements with a 2-3 page brief sheet highlighting the areas for scrutiny and appropriate questions to ask.

Action 3: Board Secretary

The Audit Committee recommended the Annual Report & Financial Statements 2018-2019 to the Board for approval.

Action 4: Board Secretary

(ii) Annual Audit Report to the Board of Governors and the Auditor General for Scotland 2018-19

The External Auditors tabled an amended Letter of Representation and the Committee noted the Audit Report. The External Auditors thanked the College Finance Team for their timely provision of information and co-operation throughout the audit.

The Committee queried the wording “significant difficulties” on pages 6 and 12 and the External Auditors confirmed that they would be able to remove “significant” from the text since that reflected the true nature of the audit process. The word “significant” would remain in the title since this was an accounting requirement.

(iii) Letter of Representation to Mazars

The Committee recommended the amended, as tabled, Letter of Representation to Mazars be signed by the Chair of the Board of Governors on behalf of the Board.

Action 5: Board Secretary

19.50 Internal Audit Reports

(i) Student Support Funds & Educational Maintenance Allowances (EMA) 2018-19

The Internal Auditors presented paper 6 noting that good assurance had been gained on the Student Support Funds and EMAs. Recent SFC guidance was increasingly complex and the College had implemented the new guidance well.

(ii) Review of 2018-19 Credits Return

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The Internal Auditors presented paper 7 noting that the Credit Return had been agreed by SFC. An issue had been identified regarding the recording of attendance on some part time courses, however the Internal Auditors were satisfied that the problem had been rectified. The College had undertaken an additional testing of the attendance data after rectifying the problem and had not identified any further issues.

(iii) Annual Internal Audit Report 2018-19

The Internal Auditors presented paper 8 noting that “reasonable assurance” reflected the good position of the combined Internal Audit reports throughout the year and in the internal auditor’s opinion, the college has a framework of internal controls in place that provides reasonable assurance regarding the organisation’s governance, risk management, achievement of objectives and value for money.

19.51 College Audit Rolling Action Plan

The Committee were satisfied that good progress was being made against the College Audit Rolling Action Plan with all actions either complete or due to be completed within the agreed timescale.

19.52 Audit Committee’s Annual Report to the Board of Governors

Vice Principal, Finance & Curriculum Services, presented Paper 10 which the Committee discussed and agreed with the contents.

The Committee approved the Audit Committee’s Annual Report to the Board of Governors for presentation at the next Board Meeting.

Action 6: Board Secretary

19.53 Strategic Risk Register

Vice Principal, Finance & Curriculum Services, presented paper 11 and noted that a cautious approach had been adopted since it was too early in the year to reduce the risk ratings.

The Committee approved the Risk Tolerance threshold levels set for 2019-20 and requested that this information is provided at each audit committee meeting.

Action 7: Vice Principal, Finance & Curriculum Services

The Committee requested an annual half day Risk Workshop to set the risk profile of the Board in advance of the start of the next academic year. This should be after the Strategy Day so that any change in strategy could be reflected in the Board's risk appetite. Vice Principal, Finance & Curriculum Services, agreed to discuss the timetable with the Internal Auditors to ensure a half day Risk Workshop could be worked into the existing number of internal audit days and then inform the Board Secretary of possible dates in late May/early June for the workshop.

Action 8: Vice Principal, Finance & Curriculum Services

19.54 Health & Safety Quarterly Report

The Health & Safety Officer presented paper 12 noting that some departments had still failed to upload their risk assessment information onto iShare. The Vice Principals requested that the Health & Safety Officer provide them with the details of the departments still to upload their information onto iShare and they would follow up directly with the relevant managers.

Action 9: Vice Principal, Finance & Curriculum Services and Vice Principal, Curriculum & Enterprise

A new working group has been set up to consider the viability of a Smoke Free Campus for 2020-21. The group comprises staff, students with a mix of smokers and non-smokers to ensure a breadth of experience is included. The results of a consultation will be considered in January 2020 and the Health & Safety Officer has been learning from the experience of other Colleges to gather best practise. The Committee recommended that the working group contact West Lothian Drug & Alcohol Service for advice regarding supporting smokers wishing to give up smoking.

The Health & Safety Officer showed the Committee a template of a live App being used by lone workers, mainly Work Based Assessors, to help check in and track their movements. The App provides support and peace of mind for those who do not have regular contact with colleagues and may feel vulnerable. The feedback from the App users has been very positive.

The Committee expressed concern that 2 staff members had required medical treatment following an incident at the College. The Health & Safety Officer confirmed that both staff members were returning to College although one was on a phased return due to other unrelated ongoing health conditions.

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Regarding incident 7, the Health & Safety Officer confirmed that procedures had not been followed correctly despite recent training and all staff members involved had been informed of their errors and retrained in the correct procedures.

Regarding incident 8, the Health & Safety Officer confirmed that all procedures had been followed and the College had fulfilled all its health and safety responsibilities. However, as a precaution it had been decided to accelerate the timescale for the planned ordering of new beds and the new beds will be delivered in the new year.

19.55 Key Performance Indicators 2018-19

The Vice Principal, Finance & Curriculum Services, presented paper 13. It was noted that the Finance & General Purposes Committee had requested that the KPI papers be revamped to show the KPIs relevant to each separate Committee's remit. It was commented that none of the KPIs would align with the Audit Committee remit yet the Audit Committee felt that it was important they had sight of KPIs to help them consider the Risk Register.

The Audit Committee requested that the Board Secretary bring a summary of all Committee remits to the Board Meeting to enable a discussion of which KPIs would be relevant for helping each Committee fulfil their responsibility.

Action 10: Board Secretary

It was suggested that after the high level discussion at the Board meeting a more in-depth discussion could take place at the Strategy Day where the revised set of KPIs could be discussed

Action 11: Board Secretary

19.56 Meeting of the Committee without Management

Management left the meeting and the Audit Committee requested feedback from the Internal and External Auditors.

The External Auditors felt that the audit had been a much smoother process this year with requests for information being met in a timely manner and helpful presentation of information.

The Internal Auditors felt that they had a good working relationship with College staff who had good processes in place.

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Neither the External nor Internal Auditors expressed any concerns about their experience with the College.

19.57 Any Other Business

There were no items of other business.

19.58 Review of Meeting, Supporting Papers and Development Plan

The Committee requested a visit to the Beauty Therapy & Hairdressing centre at the start of the next meeting to see how they mitigate risk in practice.

Action 12: Vice Principal, Curriculum & Enterprise

The Committee agreed that the Committee Development Plan should be a separate item before 'Any other Business'.

The Committee agreed that the final item of all Audit meetings should be 'Review of Meeting and Supporting Papers without Management'

Action 13: Board Secretary

The Audit Committee was content with the meeting and supporting papers

19.59 Date of Next Meeting

The next meeting would take place on Thursday 5 March 2020 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