

West Lothian College

17 September 2020

Audit Committee

Minute of Meeting of the Audit Committee held on **Thursday 4 June** at 10am via Zoom.

Present: Sue Cook (Chair)
Simon Ashpool
Lynne Hollis
Richard Lockhart
Colin Miller (from 11am)

In attendance: Simon Earp (Vice Principal, Curriculum & Enterprise)
Jackie Galbraith (Principal and Chief Executive)
Alex Linkston (Chair of Board of Governors)
Jennifer McLaren (Vice Principal, Finance & Curriculum Services)
David Eardley (Scott-Moncrieff, Internal Auditors)
Lucy Nutley (Mazars, External Auditors)
Paula White (Facilities Manager) item 5 only
Sandra Callan (Executive Secretary)

1 Welcome/Apologies

The Chair welcomed everyone to the meeting. A special welcome was extended to Richard Lockhart on attending his first Audit Committee meeting and Lynne Hollis who was attending as a full member of the Audit Committee.

2 Declarations of Interest

There were no declarations of interest.

3 Minute of Meeting of 5 March 2020

The Minute of the meeting of the Audit Committee of 5 March 2020 was approved as a correct record.

4 Matters Arising from Minute of Meeting of 5 March 2020

Regarding Action 1 noted as duly completed. A summary would be provided to the next Finance & General Purposes Committee meeting on 11 June 2020. Vice Principal, Finance & Curriculum Services advised that not all

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lecturing staff had completed their PLP which was mainly due to difficulties in completing paperwork due to PLPs being aligned to the new Professional Standards. PLPs have been placed on hold at this time but would be picked up next academic year.

Regarding Action 2, the Committee agreed that financial statements training would be arranged at a more appropriate time.

Action 1: Vice Principal, Finance & Curriculum Services

Regarding Action 8, noted as duly completed. Committee members to inform the Chair or Vice Principal, Finance & Curriculum Services if they knew of a qualified accountant who could be co-opted onto the Audit Committee.

Action 2: Committee Members

Regarding Action 9, four members of the Committee to attend Audit Committee meetings at other colleges. Agreed to carry this action forward.

Action 3: Vice Principal, Finance & Curriculum Services

All other actions were duly completed and noted.

5 Health and Safety

(i) Quarterly Health and Safety Report

The Facilities Manager presented the report which provided an overview of the health and safety standards at West Lothian College from January to March 2020.

During this reporting period, there were thirty-nine HSF1 forms completed relating to first aid/accidents/incidents and near misses. In the same period in 2019 there were twenty-seven HSF1 forms completed. This increase was due to the rise in pre-existing conditions from eleven in 2019 to twenty-two in 2020.

The Audit Committee was asked to note that any incomplete actions were due to the closure of the college and would be addressed once the college had re-opened.

The Facilities Manager gave an update on the Business Continuity Planning arrangements as a result of the Covid19 Pandemic.

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The Senior Directional team (SDT) had initiated meetings as per the Business Continuity Plan and initially these were held weekly then moved to daily to reflect the severity of issues to be considered and the pace at which guidance was changing. The SDT considered all aspects of college life to enable key decisions to be agreed and communicated promptly to staff and students.

Facilities and IT Staff worked very hard to support students and staff before the college building had to close.

The Audit Committee acknowledged the work that both the Facilities and IT staff had put in and asked that their thanks be passed on to all involved.

6 External Audit Strategy Memorandum 2019-20

The External Auditor presented Paper 4 noting that good work had been undertaken by the college.

At the point of writing the report, it was recognised that much was unknown about future financing across the further education sector and how colleges would operate going forward. As the impact of the pandemic on college finances and operations became more fully understood, the external auditors would review and assess the planned audit strategy and report where recognised changes were required.

The external auditor acknowledged that there may be uncertainty in the college's capacity for reporting and engaging with the audit while the pandemic continued and they would be as flexible as possible with the timelines.

The Vice Principal, Finance & Curriculum Services clarified that West Lothian Council undertook the payroll on behalf of the college and confirmed that spot checks were carried out to ensure no ghost entries were entered.

Vice Principal, Finance & Curriculum Services also confirmed that the valuation of the college land and buildings had been put out to tender and the valuation would be carried out by Avison Young (formerly GVA Grimley).

The Committee noted the report.

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7 Internal Audit – Core Financial Systems

The above review had concluded that the college's core financial systems and controls were robust and well designed. No recommendations had arisen from the positive audit which was a credit to the Finance Team.

The Chair requested that thanks be passed to the Finance Team.

8 Strategic Risk Register June 2020 Update

As discussed at the March 2020 meeting the impact of Covid19 had been added as an additional risk to the risk register.

The Committee noted that all six risks had been escalated to very high and it was agreed that each risk would be reviewed to see whether the Committee felt that the college had been overly cautious.

Risk 1 – It was noted that the college had already met this year's credit target. Full time recruitment was doing well and from a college perspective, good measures were in place. It was agreed that the likelihood should be lowered to 4 whilst the impact would stay at 4. This risk would now be moved to High.

Risk 2 – An IT investment was being made to purchase new laptops for students and staff for home working. It was agreed that the likelihood should be lowered to 4 whilst the impact would stay at 4. This risk would now be moved to High.

Agreed that Risks 3, 4, 5 and 6 would remain Very High.

Vice Principal, Finance & Curriculum Services agreed to update the strategic risk register to reflect the Committee's decisions.

Action 4: Vice Principal, Finance & Curriculum Services

9 Updated Internal Audit Plan 2019-20 to 2020-21

The internal auditor presented the above paper noting the scope and objectives for the plan. Part of the plan was to move Cyber Security to 2021-22. The Committee felt that this should happen sooner and Vice Principal, Finance & Curriculum Services would work with the internal auditor to fit Cyber Security into the 2020-21 plan. A revised plan would be presented at the September meeting.

Action 5: Vice Principal, Finance & Curriculum Services

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10 College Audit Rolling Action Plan

Vice Principal, Finance & Curriculum Services presented Paper 8.

Vice Principal, Finance & Curriculum Services noted that the three actions had not yet been completed. With regard to action 3, the SFC advised colleges to put development of strategies on hold in light of Covid19. A revised deadline would be agreed once further SFC guidance has been issued. Vice Principal, Finance & Curriculum Services would update the plan to reflect SFC guidance.

Action 6: Vice Principal, Finance & Curriculum Services

11 Committee Remit Review

Vice Principal, Finance & Curriculum Services presented Paper 9.

The Committee requested that the following paragraph be added into the remit and inserted under the meetings section:

‘the Audit Committee may sit privately without any non-members present for all or part of a meeting by asking any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters’

Action 7: Vice Principal, Finance & Curriculum Services

The Committee agreed to recommend the revised and updated Committee Remit to the Board for approval.

12 Any Other Business

The Chair requested that ‘Sector Update’ be a standing item on the Audit Agenda in order that both the internal and external auditors be given the opportunity to update the Audit Committee.

Action 8: Board Secretary

Both auditors confirmed that, across the sector, all they were hearing about was financial sustainability and uncertainties. Both auditors were attending an Audit Scotland meeting next week and would report back to the Audit Committee with any updates.

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The Principal reported that new guidance was being developed daily in relation to Covid19 and College Principals meet weekly to discuss. The Minister for Further Education, Higher Education and Science has occasionally joined the discussions along with the Chief Executive Officer of the Scottish Funding Council.

College Principals had received a recent letter from Karen Watt, SFC Chief Executive regarding a follow up to recent conversations which had taken place through a number of different forums. The Principal would forward the letter to board members.

Action 9: Principal

13 Self-Evaluation of Committee

The Committee agreed to defer the self-evaluation until the September 2020 meeting.

Action 10: Vice Principal, Finance & Curriculum Services

14 Date of Next Meeting

The next meeting would take place on Thursday 17 September 2020 at 9.30am. If the meeting was allowed to take place in the college a visit to Sport and Fitness would take place at 9.00am.

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