

West Lothian College

4 March 2021

Audit Committee

Minute of Meeting of the Audit Committee held on **Thursday 26 November 2020** at 10am via Zoom.

Present: Sue Cook (Chair)
Simon Ashpool
Seonaid Crosby
Lynne Hollis
Richard Lockhart
Colin Miller

In attendance: Jackie Galbraith (Principal and Chief Executive)
Sarah-Jane Linton (Vice Principal, Learning and Attainment)
Jennifer McLaren (Vice Principal, Finance and Corporate Services)
Simon Earp (Vice Principal, Performance and Improvement)
Danny Duffy (Head of Finance)
Moira Niven (observer)
Sue Stahly (observer)
David Eardley (Azets, Internal Auditors)
Andrew O'Donnell (Azets, Internal Auditors)
Lucy Nutley (Mazars, External Auditors)
Emily Purdie (Health and Safety Officer) item 5 only
Sandra Callan (Executive Secretary)

1 Welcome/Apologies

The Chair welcomed everyone to the meeting. A special welcome was extended to Moira Niven, Chair, Finance and General Purposes and Sue Stahly, Finance and General Purposes member who were attending as observers and Andrew O'Donnell, internal auditor, who was attending his first West Lothian College audit meeting.

2 Declarations of Interest

There were no declarations of interest.

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3 Minute of Meeting of 17 September 2020

The Minute of the meeting of the Audit Committee of 17 September 2020 was approved as a correct record.

4 Matters Arising from Minute of Meeting of 17 September 2020

Regarding action 3, Risk Workshop - a date would be agreed before the March 2021 audit meeting.

Action 1: Vice Principal, Finance and Corporate Services

All other actions were duly completed and noted.

5 Health and Safety

(i) Quarterly Health and Safety Report

The Health and Safety Officer presented the report which provided an overview of the health and safety standards at West Lothian College from July 2020 to September 2020.

The Health and Safety Officer provided main highlights from the report and also updated the committee with the most up to date figures regarding staff and student COVID19 positive cases. It was confirmed that, to date, no cases had been linked to the college.

It was also noted that, to date, a total of 203 members of staff had completed their Display Screen Equipment (DSE) assessment. The Health and Safety Officer would confirm how many members of staff had been sent the DSE assessment for completing.

Appendix 2 and 3 had been omitted from the original report and these would be sent to the committee members along with the number of staff who should complete the DSE assessment.

Action 2: Board Secretary

The committee noted the paper and thanked the Health and Safety Officer for the informative report.

6 (i) Annual Report and Financial Statements 2019-2020

Vice Principal, Finance and Corporate Services, presented paper 4 noting that the financial statements are prepared in accordance with Accounting Standards and guidance from the Scottish Funding Council.

The Vice Principal, Finance and Corporate Services gave explanations where necessary and the committee noted the college had recorded an adjusted operating surplus of £196,000.

The committee requested an amendment to the wording under 'Assessment of Corporate Governance' pertaining to the interim position of the board secretary being carried out by the Vice Principal, Finance and Corporate Services.

Action 3: Vice Principal, Finance and Corporate Services

The committee recommended approval of the annual financial statements for the year ended 31 July 2020 to the Board of Governors and also thanked the Head of Finance and team for their work on producing the accounts.

(ii) Annual Audit Report to the Board of Governors and the Auditor General for Scotland 2019-2020

The external auditor presented paper 5 and thanked the college Finance Team for their timely provision of information and co-operation throughout the audit which had been undertaken remotely due to COVID19 restrictions.

The external auditor highlighted one adjusted misstatement and one unadjusted misstatement which would be included in the letter of representation.

A discussion on the valuation of land and buildings took place and, in particular, the inclusion of an 'Emphasis of Matter' statement in the audit opinion. The Vice Principal, Finance and Corporate Services advised that, as an interim valuation would take place in 2022, it would be unnecessary to undertake an interim valuation in 2021.

(iii) Letter of Representation to Mazars

The committee recommended the letter be signed by the Chair of the Board of Governors and Principal on behalf of the Board.

7 Internal Audit Reports

(i) Student Support Funds and Educational Maintenance Allowances (EMA) Audits 2019-2020

The internal auditor presented paper 7 noting that there were no recommendations from the audit. The Student Support Fund and EMA audits were undertaken in accordance with the requirements set out in accordance with the Scottish Funding Council's audit guidance.

The internal auditors thanked the finance team for their co-operation particularly due to the challenges associated with undertaking an audit remotely.

(ii) Review of 2019-2020 Credits Return

The internal auditors presented paper 8 noting that the credit return had been agreed by the Scottish Funding Council. The controls over the collection of data and the preparation of the credits return were well designed and effective.

The committee noted the report.

(iii) Annual Internal Audit Report 2019-2020

The internal auditors presented paper 9 noting that the college had a framework of controls in place that provided reasonable assurance regarding the organisation's governance framework, internal controls, effective and efficient achievement of objectives and the management of key risks.

The committee noted the report.

(iv) Internal Audit Report: Recruitment and Selection Process

The internal auditors presented paper 10 noting assurance that the recruitment and selection process was well designed and operating effectively. Two lower-risk areas for improvement had been identified. A number of good practice areas had also been identified.

The committee noted the positive report.

8 College Rolling Action Plan

Vice Principal, Finance and Corporate Services presented paper 11.

The committee noted progress against the plan.

9 Audit Committee's Annual Report to the Board of Governors

Vice Principal, Finance and Corporate Services presented paper 12 noting that the report included information on the committee's proactive monitoring of the risks associated with COVID19.

The committee requested that the report be amended to say that the Chair of the Board of Governors also is in attendance at meetings, although not a member of the Audit Committee.

Action 4: Vice Principal, Finance and Corporate Services

10 Strategic Risk Register

Vice Principal, Finance and Corporate Services presented Paper 13. Committee members were requested to agree that the risk mitigations and future actions to be taken were sufficient.

The risk register was discussed and the committee requested amendments to:

- risk 2.2 – controls/mitigations column – clarify acronyms;
- risk 2.4 – complete lead responsibility column;
- risk 3.5 – risk column – remove the word significant. Controls/mitigation column – insert refresher training every year;
- risk 5.3 – controls/mitigations column – add reference to project management and design team;
- risk 6.1 – further actions planned column – include cyber security internal audit being brought forward;
- risk 6.4 – risk column – amend wording to make back-up arrangements clear.

The committee also requested that the risk register scores be coloured as per the scoring matrix shown at the foot of each page.

Action 5: Vice Principals, Finance and Corporate Services/ Learning and Attainment/Performance and Improvement

The committee also requested the possibility of board members having access to the college's IT/cyber security training materials and Vice Principal, Performance and Improvement agreed to follow this up and report back to members.

Action 6: Vice Principal, Performance and Improvement

11 College Key Financial Indicators (KPIs) 2019-20

Vice Principal, Finance and Corporate Services presented paper 14, which the committee noted.

12 Audit Scotland – Guide for Audit and Risk Committees

The Vice Principal, Finance and Corporate Services presented paper 15. The committee discussed the guidance and it was agreed that responses to the questions would be taken forward by the management team and the Principal would give an update at the March 2021 audit meeting.

Action 7: Principal and Chief Executive

13 Sector Update

Both the internal and external auditors reported an increase in online fraud. Spoof emails were a particular issue.

14 Any Other Business

Agreed to have IT as a standing item on future agendas and the Information Systems and Digital Infrastructure Manager to be invited to the Audit Committee meetings. It was also agreed that a verbal overview would be acceptable or a short paper, if preferred.

Action 8: Board Secretary

15 Review of Meeting and Development Plan and Supporting Papers

The committee thanked the internal auditors for the informative training session which had taken place on Monday 23 November.

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Discussion on visits to parts of the campus then discussed and it was agreed that the sports area would be chosen and a decision would be taken closer to the March Audit Committee meeting date as to whether this would be done online or whether the committee would be able to visit the area.

Action 9: Board Secretary

Meeting of the Committee without Management

Management left the meeting and the Audit Committee requested feedback from the internal and external auditors.

16 Date of Next Meeting

The next meeting would take place on Thursday 4 March 2021 at 10am.

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