

West Lothian College

23 February 2023

Audit Committee

Meeting of 1 December 2022

Present: Sue Cook (Chair and non-executive member)
Colin Miller (Non-executive member)
Virginia Toyi (Staff member)
Richard Lockhart (Non-executive member) (Online)
Seonaid Crosby (Non-executive member) (Online)

In Attendance: Jackie Galbraith (Principal)
Alex Linkston (Chair of Board of Governors)
Jennifer McLaren (Vice Principal, Finance and Corporate Services)
Simon Earp (Vice Principal, Performance and Improvement)
Beth Brownlee (Staff observer)
Bill Dunsmuir (Head of Information Systems and Digital Infrastructure)
Rachel Browne, Audit Scotland
Ruth Holland, Mazars External Auditors
Gillian Callaghan, Azets Internal Auditors (On-line attendance)
Moirra Niven (Chair, Finance and General Purposes Committee) (Online)
Jenny Stalker (Board Secretary and Governance Advisor)

Presentation: Enquiries and Admissions Team

The Committee heard an interesting and informative presentation from the Enquiries and Admissions team, who gave an insight into improvements made to make the process of enrolment easier for students. Members were interested to hear of the numbers of enquiries dealt with by the team and how the team works with unsuccessful applicants to find alternative study options.

The Committee was interested in the numbers of prospective students we have to turn away due to lack of available places and asked if a report can be made available. The team confirmed that data can be provided on this for future discussion by the relevant board committee.

The Committee thanked the team for the work they do and for taking the time to attend the meeting.

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1 Committee Administration

1.1 Welcome and Apologies

The Chair welcomed everyone to the meeting and extended a warm welcome to Rachel Browne from Audit Scotland who was attending her first meeting, and Ruth Holland from Mazars External Auditors.

Apologies were noted from the Vice Principal, Learning and Attainment.

1.2 Declarations of Conflicts of Interest

There were no declarations of conflicts of interest.

1.3 Minutes of Meeting of 15 September 2022

The minutes of the meeting of 15 September 2022 were approved as accurate.

1.4 Matters Arising

All matters arising were noted as completed.

2 Matters for Committee Approval

2.1 Audit Committee Annual Report

It was noted that Virginia Toyi's name had been omitted and was now added to the report.

The Committee was content to approve the report and the Chair signed the report at the meeting.

3. Matters for Board Attention

3.1 Annual Financial Statement

The Vice Principal, Finance and Corporate Services introduced the Annual Financial Statement and referred the committee to the adjusted financial position on page 40 which broadly strips out the pension valuation and revalued assets to arrive at the deficit of 81K. This is significantly less than that reported in June.

The Committee was informed that, following approval from the Finance and General Purposes Committee, the deficit was agreed

with the Scottish Funding Council to enable investment in college buildings.

The Committee discussed the deficit and the pension adjustment.

The Committee asked if other colleges are reporting a deficit this year as well. The Vice Principal, Finance and Corporate Services, confirmed that our deficit was planned and approved but that she was unable to comment on the position in other colleges.

The Chair of the Committee noted two minor changes - the Chair of Audit should be noted as a member of Prince's Trust and Lynn Hollis's resignation date should be added to the statement.

The Chair of the Finance and General Purposes Committee was in attendance to convey the confidence they had in the report and to commend it to the Audit Committee. The Chair of Audit Committee agreed the report is very positive and that the Chief Executive's report gives an excellent overview of the college position.

The Committee agreed to approve the report.

3.2 Letter of Representation

The Committee approved the Letter of Representation which was recommended to the Board of Governors.

4 Matters for Committee Attention

4.1(i) Infrastructure and Cyber Security Update

The Head of Information Systems and Digital Infrastructure discussed the report and linked this to the detail of the Annual Report. The Committee agreed the paper was very comprehensive.

The Committee heard the college is now in a very strong position with regard to disaster recovery as a result of investment in skills and digital technology from the college over the last number of years. The Head of Information Systems and Digital Infrastructure informed the Committee that we have been ambitious in our goals and have adopted CISO cyber security framework. It was reported that all 108 standards on the framework have now been completed. The report on our current status will be shared with the Audit Committee in February 2023. The Committee was informed the report is very positive.

Action 1: Update report to be brought to February 2023 Audit Committee meeting

The Committee was informed that the college had received a clean internal audit on student funds for the third consecutive year. The Head of Information Systems and Digital Infrastructure said this was testament to the work staff are doing and regular internal audit processes being run on data.

Student Risk Register

The Head of Information Systems and Digital Infrastructure reported that this work is very positive in gathering good information on students and the support they need. However, some information was stored in various places and we have worked to bring the information together through Staff Advantage which has now been rolled out across the college. This means all staff can see relevant information on students. This work was commended as good practice in the Education Scotland review completed on 30 November 2022.

The Head of Information Systems and Digital Infrastructure reported on the development of the new data dashboard which will transform the current set of PowerBI forms to a more user-friendly interface for August 2023-24. The Committee was informed about the introduction of the new SMART Survey tool in 2022-23 which has improved the number of student responses to surveys.

Student Advantage now gives students 24/7 access to information and is mobile-enabled. The college is continuing to work closely with software supplier Education Software Solutions who has funding to support educational developments.

The Committee commended the team on a clean audit and on the report.

4.2 Health and Safety Quarterly Report

The Health and Safety Officer reported on the current situation and noted it was good to see college getting back to normality after the pandemic. She reported on a back-to-basics approach post-pandemic to remind staff about health and safety generally. A set of "How To" documentation is being produced to manage health and safety information gathering. Work continues to develop care plans for students and the roll out of Display Screen Equipment tests for staff. The emergency evacuation procedures are being reviewed to manage the transition back to on-campus working. The Health and Safety

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Officer reported that attending College Development Network quarterly meetings is a good forum to share information.

The Health and Safety Officer reported on planned training, including staff health and wellbeing, which is being progressed through the HR and People Development team, fire marshall training and EVAC training, as well the development of a new assessment tool for new and expectant mothers. She is working with the Marketing team to create improved documentation for general health and safety signage and evacuation plans.

The Health and Safety Officer reported on a consultation carried out by the Fire Service in 2021. We are still waiting for outcome of this but this will result in new legislation being implemented in 2023 which will mean the college will be required to check if a fire is real before calling the emergency services.

The Committee asked about instances of epilepsy and seizures that occur on campus and whether we work with Epilepsy Scotland. The Health and Safety Officer confirmed training took place in May and June 2022 and that we are awaiting receipt of the Epilepsy Scotland Award (the college first achieved this award in January 2020). Subject to this award being finalised, we will be able to brand the college appropriately.

The Committee thanked the Health and Safety Officer for her report and update.

4.3 Internal Audit Reports

4.3 (i) Review of Student Support Funds 2022

The Chair welcome Gillian Callaghan from Azets Internal Auditors.

Gillian Callaghan introduced the report and discussed the positive outcome for the college. The Committee was informed that no areas for improvement had been identified and all controls put in place were operating effectively.

Azets confirmed that all relevant certificates have been issued to the Scottish Funding Council and to the Student Awards Agency Scotland.

The Committee agreed the report was clear and had no questions to ask of the auditors.

4.3 (ii) Review of Credit Return 2022

Azets reported on the set audit of risks and controls and informed the Committee they were able to give the college a clean bill of health. There were no problems identified with any of the testing done.

The Auditors thanked college staff for their time and quality of information given.

The Committee was content to accept both papers.

4.4 External Audit Annual Report to the Board and Auditor General for Scotland

Ruth Holland of Mazars External Auditors apologised for the lateness of the report being completed. She drew the Committee's attention to the executive summary on page 4 which detailed the college had received unqualified opinions for all sections with no amendments required. A full audit opinion was included in the financial statement as an appendix.

Ruth Holland reported on checks done for the year. She confirmed we are awaiting a response from the valuer which has delayed the fixed asset final valuation in Section 2.

The final review of the audit file is ongoing but there are no concerns to report. Mazars confirmed the final letter will be received in the coming week.

Mazars highlighted to the Committee that the work of the finance team had resulted in no internal recommendations on controls, no identified weaknesses or improvements, and no mis-statements that could impact on materiality of the accounts.

Mazars informed the Committee the college is in good shape financially and it is very positive that the college is again meeting its credit target. This is not the case in all colleges. It was recognised the sector is under pressure financially which is not a good picture. Mazars highlighted that the college is doing all it can do in the circumstances.

The Committee agreed this is a realistic conclusion and discussed the potential implications for the college of a flat cash scenario from the Scottish Funding Council.

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The draft Letter of Representation was recommended to the Board of Governors.

The Committee noted the report and thanked Ruth Hollis for attending her last meeting and for the work done by Mazars. Ruth Holland thanked the Vice Principal, Finance and Corporate Services and the rest of the team.

4.5 College Rolling Audit Action Plan

The Head of Information Systems and Digital Infrastructure gave a brief update on the rolling action plan, highlighting the go-live date for the Sun financial system which has been changed to the end of January 2023.

The Committee agreed the change of date.

4.6 Complaints Report

The Vice Principal, Performance and Improvement discussed wording and amendments which have been taken on board. The Committee was informed that all complaints have been resolved or are on track for completion. Numbers of complaints are in line with trends.

The Vice Principal, Performance and Improvement updated the Committee on the court action which is now in the fifth year. The case has now commenced and the next meeting is on 23 December 2022, with an expected final date in January 2023. The Committee asked for some context around the court case which was given.

The Committee noted the report.

4.7 Risk Register: matters for escalation or update

The Chair gave a verbal update on the risk register. The Committee agreed there were no items for discussion at this meeting and noted that the Risk Register would be brought to the full Board of Governors meeting on 6 December 2022.

5 Matters for Information

5.1 Sector Update

Ruth Holland and Gillian Callaghan informed the Committee there were no specific sector updates to be brought to the meeting.

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6. Any Other Business (AOB)

There was no other business.

7. Review of Committee and Supporting Papers

The Committee was content with the papers. However, it was agreed that papers should be shortened and draw out key points for discussion during the meeting.

It was agreed that it would be useful for a member of Audit Committee to attend the preceding November meeting of the Finance and General Purposes Committee to more fully understand discussion around management accounts.

8. Date of Next Meeting

The next meeting is on Thursday 23 February 2023 at 10.00am.

Note: There were no matters discussed during the meeting, during which Members declared any conflict of interest, or the Board Secretary and Governance Advisor was aware from the Register of Interests that discussion could give rise to such a conflict.

Signed
Chair, Audit Committee

Date