University of the Highlands and Islands — Inverness College

Board of Management

MINUTES of the MEETING of the AUDIT COMMITTEE held in the Boardroom, 1 Inverness Campus, on Tuesday 27 February 2018

PRESENT:	Hazel Allen, Sarah Burton, Jaci Douglas, Innis Montgomery, Fiona Neilson, Steve Walsh
CHAIR:	Hazel Allen
APOLOGIES:	-
ATTENDING:	Principal
	Depute Principal
	Director of Organisational Development
	Director of Finance
	Elaine McKew, BDO (by teleconference)
	Adam Brown, BDO
	Secretary to the Board of Management

1. MINUTES

a. The Minutes of the Meeting of the Audit Committee held on 28 November 2017 were **AGREED** as a correct record, were **APPROVED** and signed by the Chair.

b. The Minutes of the Meeting of the Joint Audit and Finance and General Purposes Committee held on 7 December 2017 were **AGREED** as a correct record subject to an amendment being made to the reference to succession planning at item 2, Meeting with External Auditors, were **APPROVED** and would be signed by the Chair.

It was **AGREED** that an update be presented to the next meeting of the Audit Committee in May, on whether there was now sufficient capability and resource within the Finance Team.

2. OUTSTANDING ACTIONS

The Committee **AGREED** which actions had been completed and could be signed off and those which were still outstanding and would remain on the list.

3. POLICIES

a. HEALTH & SAFETY POLICY AND STATEMENT

The Director of Organisational Development referred to the health and safety policy and statement and advised that the legislation section of the policy had been reviewed and updated and that a number of minor adjustments had been agreed by the SMT.

The Committee discussed both the policy and the statement and suggested that reference should also be made to wellbeing. The Committee asked the Director of Organisational Development to take a more holistic approach and make some amendments which would better reflect the broader duty of care to both students and staff.

The Committee **AGREED** that the amended policy and statement should be circulated to the Committee for comment before being submitted to the Board of Management for approval.

b. **Public Interest Disclosure Policy**
The Board Secretary advised that there was only one minor change to the Public Interest Disclosure policy, namely a change in the Policy Owner from the Principal to the Chair of the Board of Management.

The Committee asked about the procedure to be followed if a disclosure was made and asked for verbal assurance at the next meeting that the procedure covered all possible scenarios.

The Committee **APPROVED** the revised Public Interest Disclosure policy.

c. **Risk Management Policy**
The Depute Principal advised that the Audit Committee had previously agreed to adopt the UHI risk management policy statement and that the risk management policy had been amended to reflect this decision.

The Committee discussed the policy in detail and suggested that the policy appeared to lean towards protecting the reputation of the college rather than considering financial or organisational risks.

The Committee **AGREED**
1. That an amendment be made to the policy owner/lead officer as it was currently the same person and that the review date be brought forward to December 2020.
2. To **RECOMMEND** the policy to the Board of Management for approval but ask the Board to note that the committee had concerns about the assessment criteria used within the risk register and that this would be raised with UHI Executive Office.

4. **AUDIT REPORTS - FINANCIAL CONTROLS**
As part of the 2017-18 Internal Audit Plan, it was agreed that Internal Audit would perform a high level review of key financial control systems in place within Inverness College.

Elaine McKew of BDO spoke to the audit report and confirmed that the level of assurance given for design was "substantial" and for effectiveness "moderate". It was a very positive report with only one recommendation being of medium significance and one of low significance.

The Director of Finance confirmed that the recommendation in relation to banking reconciliations had been implemented and the recommendation on fixed assets would be implemented by the end of July 2018.

The Committee **NOTED** the audit report on financial controls.

Adam Brown of BDO gave a brief update on the audits on Data Protection (covering GDPR) and Partnership Working, the final reports of which would be submitted to the next meeting of the committee in May.

5. OUTSTANDING AUDIT RECOMMENDATIONS

A report by the Director of Finance provided an update on progress against audit recommendations resulting from 2016/17 and 2017/18 internal audits. All outstanding audit actions from 2016-17 were now complete. A number of action points resulting from the Risk Management audit had been reported back to the November Audit Committee meeting. A number of actions had been completed and the others were in progress.

The Committee **NOTED** that the outstanding actions on the Risk Management audit would be progressed at the Board Development day in April or would be the subject of discussion at the Joint Audit Committee Chairs meeting at the beginning of May.

6. RISK REGISTER

The Depute Principal referred to the updated risk register and confirmed that in order to maintain a continuous and manageable oversight of the risk register, a systematic approach to reviewing the risks was taken, with two risks being reviewed at each monthly meeting of the Senior Management Team (SMT).

The Committee discussed a number of issues within the risk register and
1. **REQUESTED** SMT to determine whether an additional risk should be added on disaster recovery
2. **AGREED** that in future, only variations or amendments to the register be brought to the committee for consideration and
3. **AGREED** that internal audit recommendations and actions be inserted within the actions area of the register

7. BUSINESS CONTINUITY UPDATE

A report by the Director of Organisational Development provided an outline of the updates to the Business Continuity Plan, involvement of Police Scotland, emergency planning and staff training. Plans were in place to take forward a full exercise and operational test of the plan in April 2018.

The Director of Business Development had been tasked with arranging media training and it was suggested that the Board Chair and the Chair of the Audit Committee be invited to participate.

Innis Montgomery referred to a contact card he had been issued in the past which had all pertinent emergency contact information. He suggested that the plan could also be uploaded on a separate web presence as an additional security measure.

The Committee **NOTED** the updated plan and the plans for the full exercise and operational test in April 2018

8. ICT PROJECTS

A report by the ICT Services Manager provided an overview of active ICT Projects led by Inverness College UHI including, GDPR, Cyber Resilience, Wifi, Single Print Project and an overview of the UHI project on single UHI Finance System, VLE Review and Service Desk and ICT service review.

The Committee had a robust discussion around the likely termination of the contract for the Finance System project, the implications for Inverness College and

other partners, the need to move to another solution swiftly and the necessity to consider the integration proposals as part of the process in finding another solution.

It was suggested that a review of the process was required and the Chair **REQUESTED** the Board Secretary to set up a meeting with herself, the Board Chair, the Principal and the Director of Finance to determine the view of the College which the Principal would raise at the next Partnership Council meeting.

9.   **HEALTH AND SAFETY Q2 REPORT**
A report by the Director of Organisational Development provided a quarterly update on matters pertaining to Health and Safety.

Over the last twelve months the college had been requesting assurance from GTFM that they were following a compliant PPM schedule that was established and operational. Between December 2017 and February 2018 a number of audits were carried out which identified that there were a number of non-compliances across this period. A close out meeting was held on 16 February and on review of documentation presented, all non-compliances had been addressed. The Director of Organisational Development advised that assurance had been sought that a clear schedule was in place for PPM's going forward.

The Committee **NOTED** the report.

10.   **ACADEMIC PARTNER AUDIT COMMITTEE CHAIRS MEETING – MAY 2018**
The Board Secretary advised that the committee should consider issues which the Chair should raise at the Academic Partner Audit Committee Chairs meeting which would be held on 3 May 2018.

The Committee **AGREED** that the College would request that the issues of risk, including those identified within the Risk Management Audit, the Finance System contract and issues recently identified at the Student Residences be raised at this meeting in May.

It was further **AGREED** that the investigation report on the issue at the Student Residences be circulated to members of the Committee and that a status update be prepared for the Board meeting on 22 March which demonstrated the actions taken by the college on this matter.

Steve Walsh left the meeting during consideration of the foregoing item.

The following item was included in the agenda for noting only and therefore no discussion took place at the meeting.

11.   **DATA PROTECTION, FREEDOM OF INFORMATION, COMPLAINTS AND PUBLIC INTEREST DISCLOSURE ANNUAL REPORT 2018**
A joint report by the Board Secretary, the Quality Manager and the Information Development Manager provided an annual report on activity relating to data protection, freedom of information, public interest disclosure and complaints at Inverness College UHI.

12.   **DATE OF NEXT MEETING**
Tuesday 29 May 2018 at 8.30 a.m.

Signed by the Chair: _____

Date: _____28/5/18._____