

MINUTES

Minutes of the Audit and Risk Committee meeting held on Thursday 25 February 2021 at 3.30pm via Microsoft Teams.

Present: Susan Mitchell (Chair), Bob Black, Brian Fisher, Evelyn McPhail

In Attendance: Hugh Hall (Principal), Susan Dunsmuir, David Eardley (Azets), Rachel Wynne (Ernst & Young), Marianne Philp

1 Welcome

The Chair welcomed those present to the meeting.

2 Minutes of the

2.1 Previous Meeting: 19 November 2020

2.2 Joint Audit and Risk/Finance, Commercial and Estates Committee: 19 November 2020

The minutes of the above meetings held on 1 November 2020 were approved as an accurate record.

3 Matters Arising / Actions Outstanding

The contents of the paper that had been circulated were noted.

4 Internal Audit

4.1 Update on Internal Audit Actions: Exception Report

The contents of the paper that had been circulated were noted. It was highlighted that the College had 14 open actions as at 31 January 2021 of which 13 were due for implementation. The internal auditors confirmed that 12 actions had been completed, one had been agreed as no longer applicable, and one action remained open for action as detailed in Appendix 3 of the report.

4.2 Stakeholder Engagement - Employers

The contents of the report that had been circulated were noted. Good practice had been identified as outlined on page 31 of the Boardpack. One grade 2 recommendation had been identified, as outlined on page 38 of the Boardpack and had been agreed by management.

4.3 Strategic and Operational Planning

The contents of the paper that had been circulated were noted. Good practice had been identified as outlined on page 44 of the Boardpack. Three grade 2 recommendations had been identified, as outlined on pages 46-49 of the Boardpack. Management had suggested that actions 1.1 and 2.1 should be closed with no further action required. The internal auditor and College representatives gave an outline of their respective positions. After discussion, the Audit and Risk Committee confirmed the view that no further action was required, and management confirmed they would keep these areas under review as plans were refreshed. Action 4.1 had been agreed by management.

4.4 Core Financial Systems

The contents of the report that had been circulated were noted. Good practice had been identified as outlined on page 56 of the Boardpack. Four grade 2 recommendations had been identified, as outlined on pages 59-64 of the Boardpack and had been agreed by management.

Committee members commented that given the exceptional circumstances of the past year, this was an extremely positive result for all staff involved.

A query was raised about using technology in smarter ways, reducing data entry and the potential for errors. It was confirmed that this was being progressed as and when new systems were being brought into the College. The internal auditor confirmed that the audit process changed to take account of this, and that a systems expert could be involved in the audits where required to give technical advice.

5 Strategic Risk Register Update

The contents of the paper that had been circulated were noted. The changes to the risks as detailed in the covering paper were highlighted and noted. There was a detailed discussion on the risks that were outwith the tolerance levels. Committee members were reassured that appropriate steps were being taken to monitor the situation and take appropriate action should this be required.

On the basis of the discussion, Committee members agreed to endorse the Executive Team's review of the risk register.

6 Assurance Framework: Annual Review

The contents of the paper that had been circulated were noted. It was confirmed that this was an annual review exercise and that there was an overlaps with the risk register to some extent and ways of streamlining this would be maximized wherever possible. Changes since last year had been updated in red font. The areas highlighted in amber would be take forward as projects, which were already underway or ready to start.



Fife College

Members commended management on the introduction of this comprehensive document. The internal auditors also confirmed it had been adopted very quickly and proactively by Fife College.

On the basis of the discussion, Committee members agreed to endorse the Executive Team's review of the assurance framework.

7 Extension of Appointment of Internal / External Auditors

The internal and external auditors declared a specific interest with regard to this item and withdrew from the meeting. The contents of the paper that had been circulated were noted.

Decision: To approve the extension of appointment to Azets as internal auditor to 31 July 2022 and to note the extension of appointment of Ernst & Young as external auditor to cover the 2021-22 audit.

Responsibility: Chief Financial Officer

Deadline: 31 March 2021

8 Date of Next Meeting

Thursday 3 June 2021 at 3.30pm