

Meeting	Joint Meeting of the Audit and Finance and General Purposes Committees
Date and time	Thursday 17 March 2022 at 8.30 a.m.
Location	Via Microsoft Teams

College Secretary
10 March 2022

AGENDA

Welcome and Apologies

Declarations of Interest

ITEMS FOR DECISION

- 1. DRAFT AUDITED ACCOUNTS AND ANNUAL AUDIT REPORT 2020/21
(CONFIDENTIAL)**
 - a) Covering Report by Director of Finance
 - b) Draft Inverness College Annual Audit Report by Ernst & Young
 - c) Letter of Representations
 - d) Annual report and accounts for the year ended 31 July 2021
 - e) End of Year Return to SFC

ITEMS FOR DISCUSSION

- 2. MEETING WITH EXTERNAL AUDITORS**
Report by Board Secretary
- 3. ANNUAL AUDIT COMMITTEE REPORT**
Report by Board Secretary
- 4. UPDATE ON FINANCE SERVICE**
Report by Director of Finance
- 5. AOCB**

Joint Audit and Finance and General Purposes Committee

Title:	Revenue Budget Monitoring 31 July 2021		
Meeting and date:	17 March 2022		
Author:	Roderick M Ferrier, Assistant Principal, Finance and Audit		
Link to Strategic Plan:	Yes – monitors operational finance that links to strategic •		
Resource implications:	Yes If yes, please specify: • Finance		
Risk assessment:	Yes If yes, please specify: Financial: Yes Operational: Yes Organisational: Yes		
Equality and Diversity Issues:	N/A		
Status – Confidential / Non Confidential	Confidential		
Freedom of Information Can this paper be included in “open” business	No		
If a paper should not be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)	<input type="checkbox"/>	Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	<input type="checkbox"/>
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)	<input type="checkbox"/> Y	Its disclosure would constitute a breach of confidence actionable in court (S36)	<input type="checkbox"/>
Its disclosure would constitute a breach of the Data Protection Act (S38)	<input type="checkbox"/>	Other (Please give further details)	<input type="checkbox"/>
For how long must the paper be withheld? (Express as either the time which needs to pass or a condition which needs to be met.)			

Recommendation(s):

That members note the financial position of the College for the year ended 31 July 2021. This should also be considered in the light of 2020-21 Revenue Budget, College Financial Forecast Return, and financial sustainability. Seek Committee’s recommendation that the Board can sign the Statutory Accounts for the year ended 31 July 21 on 31 March 2022.

Purpose of report

Advise the Committee of the Revenue Budget for the year ended 31 July 2021.

Board of Management

Subject/Title:	Meeting with External Auditors
Author: [Name and Job title]	Lisa Ross, Board Secretary
Meeting:	Joint Audit & Finance and General Purposes Committee
Meeting Date:	17 March 2022
Date Paper prepared:	10 March 2022
Brief Summary of the paper:	The paper outlines the areas discussed with our External Auditors during the private session.
Action requested: [Approval, recommendation, discussion, noting]	Discussion
Link to Strategy: Please highlight how the paper links to, or assists with: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	Compliance with Code of Good Governance and Audit committee terms of reference in that it is a requirement for the Audit Committee members to meet with the internal and external auditors without the executive team present at least annually.
Resource implications:	No
Risk implications:	No
Equality and Diversity implications:	No
Consultation: [staff, students, UHI & Partners, External] and provide detail	

ITEM 02

Status – [Confidential/Non confidential]	Non-Confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	Yes		
*If a paper should not be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)		Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

Further guidance on application of the exclusions from Freedom of Information legislation is available via

<http://www.itspublicknowledge.info/ScottishPublicAuthorities/ScottishPublicAuthorities.asp> and

http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf

Introduction

It is considered good practice for Audit Committees to meet with internal and external auditors at least annually in a private session where management is not present. This approach allows the Audit Committee to ask questions on matters that might not have been specifically addressed as part of the audit work. The private session allows the Auditor to provide candid, often confidential, comments to the Audit Committee on such matters. It also presents an opportunity for the auditor to provide feedback to the Committee about its own performance and possible areas for development and improvement.

Meeting with Auditors

The Audit Committee met privately with the external auditors on 08 March 2022. During this meeting Committee members were able to focus the discussion on:

Audit – the audit process itself, comparison to the audit process in years prior, preparation of the team in relation to the audit, reasons why the audit was carried out after the NHC audit.

Attitudes – management’s attitude toward financial reporting, internal controls and towards Auditors themselves.

Resources – the adequacy of people and other resources within the financial management area and the audit function.

Relationships – the nature of the relationship between the Auditor, Management and the Audit Committee.

The Committee Members commended the positive comments which the External Auditor disclosed with regards the audit, the attitudes of the team and the relationship between themselves and the team.

Subject/Title:	Draft Annual Audit Committee Report for the Academic Year 20-21
Author: [Name and Job title]	Lisa Ross, Board Secretary
Meeting:	Joint Audit and F&GP Committee
Meeting Date:	17 March 2022
Date Paper prepared:	10 March 2022
Brief Summary of the paper:	Annual Audit Committee Report for Academic Year 2020-21
Action requested: [Approval, recommendation, discussion, noting]	For discussion and recommendation for approval by BOM.
Link to Strategy: Please highlight how the paper links to, or assists with: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	<p>The Audit Committee is required, in accordance with Scottish Funding Council guidance to report annually to the Board of management.</p> <p>The report relates to the discussions and actions in relation to risk management</p> <p>Linked within the strategic plan, specifically managing our risks</p>
Resource implications:	Not directly, but indirectly in relation to the management of risk
Risk implications:	Yes Operational: as outlined in the Risk register Organisational: as outlined in the Risk register
Equality and Diversity implications:	N/A

ITEM 03

Consultation: [staff, students, UHI & Partners, External] and provide detail	No consultation carried out – report is a statement of work carried out by the Audit Committee throughout 2020-21		
Status – [Confidential/Non confidential]	Non-Confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	Yes		
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Annual Audit Committee Annual Report to the Board of Management

Title	Inverness College UHI Audit Committee Annual Report 2020-21		
Introduction	The Audit Committee is required, in accordance with Scottish Funding Council guidance to report annually to the Board of Management. This report covers the work of the Audit Committee during the 2020-21 Academic Year.		
Membership	The Membership of the Committee during the 2020-21 academic year was as follows: -		
	Member	Designation	Membership Period
	Fiona Neilson	Interim Chair of the Committee (for the period between September 2020 – January 2021)	September 2020 – January 2021
	Gillian Galloway	Chair from March 2021 onwards	March 2021 – August 2021
	Innis Montgomery	Member of the Committee	September 2020 – August 2021
	Sally Blyth	Member of the Committee	September 2020 – August 2021
	Samantha Cribb	Member of the Committee	September 2020 – August 2021
	Mark Sheridan	Member of the Committee	February – June 2021
	Amy Goodbrand	Co-opted Member of the Committee	February – August 2021
Meetings	4 meetings were held throughout the year and the attendance was as follows: -		
	15 September 2020 Fiona Neilson, Innis Montgomery, Samantha Cribb & Sally Blyth (Fiona Neilson chaired this meeting)		
	10 November 2020 Fiona Neilson, Innis Montgomery & Sally Blyth (Fiona Neilson chaired this meeting)		

	<p>09 March 2021 Gillian Galloway, Innis Montgomery, Samantha Cribb, Sally Blyth, Mark Sheridan & Amy Goodbrand (Gillian Galloway chaired this meeting)</p> <p>01 June 2021 Gillian Galloway, Innis Montgomery, Sally Blyth & Amy Goodbrand (Gillian Galloway chaired this meeting)</p> <ul style="list-style-type: none"> • Representatives from our internal auditors, BDO, attended all four meetings in 2020-21. • Representatives from Ernst & Young attended the meetings in September 2020, November 2020 & June 2021. • The Assistant Principal – Finance and Audit attended all four meetings. • The Principal attended the meetings held in September 2020, November 2020, and March 2021. • The Depute Principal – Planning and Student Experience attended the meetings held in September and November 2020. • The Assistant Principal – Academic and Research attended the meeting held in June 2021. <p>Others in Attendance:</p> <ul style="list-style-type: none"> • In September 2020 Ron Hill, External Effectiveness Facilitator observed the meeting. • In March 2021, our Data Protection Officer attended the meeting. • In June 2021 the Contracts and Procurement Co-Ordinator, Head of Procurement – Shared UHI Service, ICT Services Manager and our Health and Safety Manager attended the meeting.
<p>Terms of Reference</p>	<p>The Terms of Reference were reviewed as part of our Committee Review meetings held in July 2021, a further review took place on 19 October 2021 by all Committee Members with the updated Terms of Reference taken to the Board of Management on 14 December 2021. It is expected that the updated Terms of Reference will be given final approval at the Board of Management meeting being held on 31 March 2022. The Terms of Reference will next be due for review in March 2024.</p>
<p>Internal Audit</p>	<p>Provider The Internal Auditors are BDO. They were appointed for the three-year period 2017-2020. On May 2020 the Assistant Principal – Finance and Audit confirmed with BDO a 12-month extension to this contract for the period 01 August 2020 – 31 July 2021. All terms and conditions remained as per the original contract letter dated 29 June 2017.</p> <p>Audit committee assessment of performance The annual review of the performance of BDO was discussed within the meeting held on 09 March 2021. An assessment of performance by BDO took place within confidential discussions with regards the appointment of Internal Auditors.</p>

Review of internal audit plan

During 2020-21 our Internal Auditors BDO reviewed and evaluated our processes in the following areas:

- Workforce Planning
- Covid-19 Health and Safety
- Finance System Upgrade
- Cyber Security
- Coronavirus Job Retention Scheme
- Follow Up

The outcomes of all reviews have been presented to and discussed by Audit Committee. Please note however that the dates which the Internal Auditors carry out and complete their audit reports are not aligned to this report due to the time lapse between the audit being carried out and it being presented to the Committee.

The initial conclusion is reflected in the summary table below and is not expected to change.

The plan was based on the proposed allocation of days for set out in the 2020-21 operational plan. There was no change in the time spent – Planned v budget. 30 days’ work was undertaken.

Summary of Internal Audit reports 2020-21

Reports Issued	Overall Report Conclusions -see appendix I				
	Design		Operational Effectiveness		
Covid-19 Health & Safety	0	0	2	Substantial	Substantial
Workforce Planning	0	3	3	Moderate	Moderate
Project Management	0	4	0	Moderate	Moderate
Cyber Security	0	4	2	Limited	Limited
Coronavirus Job Retention Scheme	1	1	0	Limited	Limited
Follow Up	n/a	n/a	n/a	n/a	n/a

Overall gradings were defined as follows:

LEVEL OF ASSURANCE	DESIGN of internal control framework		OPERATIONAL EFFECTIVENESS of internal controls	
	Findings from review	Design Opinion	Findings from review	Effectiveness Opinion
Substantial	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are <u>being consistently applied</u> .
Moderate	In the <u>main</u> there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	<u>Generally</u> a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of <u>non-compliance</u> with some controls, that may put some of the system objectives at risk.
Limited	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts <u>should be made</u> to address in-year.	System of internal controls <u>is weakened</u> with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts <u>should be made</u> to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
No	For all <u>risk</u> areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance <u>can be placed</u> on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	<u>Non-compliance</u> and/or compliance with inadequate controls.

Recommendation Significance

High (RED)	A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.
Medium (AMBER)	A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.

<p>Low (GREEN)</p>	<p>Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.</p>
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Audit reports

Summary of Recommendations made	
High	1
Medium	12
Low	7
Total number of recommendations:	20

The Committee made specific comments on reports as follows (these comments refer to the audits which were taken to the Committee during the period September 21 – August 22 with some of the audits which were carried out by Internal Audit not being discussed within this Academic Year): -

Workforce Planning

BDO advised that this audit gave a moderate level of assurance and found that there were 3 medium level risks and 3 low level risks. A discussion on all follow up actions will be arranged for June 2021. The Committee enquired as to the level of PDR’s being carried out and noted that this process had faltered due to Covid-19. The mechanisms and the processes in place for recording completed PDR’s will be reviewed and discussed at the next HR Committee meeting. The Committee highlighted the importance of succession planning and underlined their concerns about the workloads of staff following the SMT restructure. It was noted that this too will be monitored and discussed at the next HR Committee meeting.

Covid-19 Health and Safety

BDO advised that this audit gave a substantial level of assurance and had found that there were 2 low level risks. The Committee welcomed this positive outcome.

	<p>Finance System BDO advised that this audit gave a moderate level of assurance and that there were 4 medium level risks found. The Assistant Principal – Finance and Audit advised that we had experienced issues relating to ownership of the programme but that the system was delivered on time and was now delivering the reports that we require. It was noted that lack of project management was raised as a weakness. However, this is currently being addressed through additional training.</p> <p>Draft Cyber Security Audit BDO advised that the cyber security audit had been superseded by the cyber incident and that the report was currently in draft format. BDO are to have discussions with management over their proposed recommendations. The Committee advised that they would consider the findings of this audit once the final version was agreed by BDO and management.</p> <p>Closed Meeting No closed meeting with Internal Audit took place.</p> <p>Overall opinion of risk management, control, and governance arrangements In the view of BDO, based on the reviews undertaken during the period and in the context of materiality that:</p> <ul style="list-style-type: none"> • In three of the five assurance audits performed, the risk management activities and controls in the areas which we examined were found to be suitable to achieve the specific risk management, control, and governance arrangements. Based on our verification reviews and sample testing, the risk management, control, and governance arrangements in these three areas were operating with sufficient effectiveness to provide reasonable, but not absolute assurance that the related risk management, control, and governance objectives were achieved for the period under review. • However, our review of cyber security and the coronavirus job retention scheme identified that further work was required to ensure robust processes. As such we are not able to provide reasonable assurance based on our verification review and sample testing, that risk management, control and governance arrangements were designed and operating with sufficient effectiveness in these areas to provide reasonable assurance that the related risk management, control, and governance objectives were achieved for the period under review.
<p>External audit</p>	<p>Ernst & Young Ernst & Young completed their audit of the accounts for the year ending 31 July 2020. This was the fourth report by Ernst & Young who had been appointed by the Auditor General for Scotland as the external auditor for the financial years 2016/17 to 2020/21.</p> <p>These accounts were submitted to and approved by the Board of Management on 18 February 2021. Ernst and Young’s independent auditor’s report provided an unqualified opinion that the financial statements</p> <p>Ernst and Young’s independent auditor’s report provided an unqualified opinion that the financial statements</p>

	<ul style="list-style-type: none"> gave a true and fair view in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council (SFC) of the state of the affairs of the College and Group as at 31 July 2019 and of its surplus for the year then ended; had been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and had been prepared in accordance with the requirements of the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 14 of The Charities Accounts (Scotland) Regulations 2006 (as amended). <p>Audit committee assessment of performance The annual review of the performance of EY for the year 2020/21 took place during the Audit Committee meeting held on 09 March 2021.</p> <p>Closed Meeting The Audit Committee held a closed session with the External Auditors following the Audit Committee held on 09 March 2021.</p> <p>Audit of annual accounts 2020-21 EY has carried out the Audit of the Annual Accounts for 2020-21 and this forms part 05c of the agenda.</p>
<p>Other work done</p>	<p>Health and Safety Health and Safety reports are submitted to each audit committee throughout the year.</p> <p>Covid-19 continued to have a significant impact upon College operations. A Sub Committee of the Health, Safety and Wellbeing Group was set up to look at the wellbeing of staff. This Sub-Committee is an advisory group who provide reflective input with regards the impact of Covid-19 with regards staff working from home, our responsibilities as an employer and the responsibilities which staff themselves have, the contractual status of home working, the audit of DSE which staff are using at home. The internal audit on the management arrangements that have been implemented in response to Covid-19 took place on 08 December 2020. The result of the audit was highly positive, where there was a substantial level of assurance provided on how the College has, and continues to, manage the impact of COVID-19. This positive result reflects the hard work and efforts made by the COVID-19 Management Team and the College workforce.</p> <p>During 2020-21 the Committee were provided with detailed papers with regards a proposed new Health and Safety system HASMAT. The Health and Safety Manager provided guidance to the Committee with regards this system summarising to them what this system is and the benefits of it. The Health and Safety Manager highlighted to the Committee the associated schedule which can be used as part of any internal audits on health and safety going forward. BDO confirmed that it should not be an issue for internal audit to use this system. Following this the Committee agreed to the adoption of the HASMAT system.</p>

Riddor

There have been no RIDDOR reportable incidents for academic year 2020-21. This is comparable to the previous year.

Incidents

Incident reporting for 2020-21 occurred during the limited opening and operation of the College estate for elements of face-to-face curriculum delivery – at present this is focussed on predominantly vocational further education activities that are unable to be delivered remotely. Essential maintenance operations by IC Estates and GTFM, along with statutory inspections, have continued as normal. The incidents recorded for the quarter are significantly lower than would be expected during a 'regular' reporting period, where in general there had been a sustained upward trend of incident reporting.

There was 1x Incident Report relating to Occupational Health & Safety reported during the period. This involved the apparent spontaneous shattering of a glass panel within the Sheiling Restaurant at 1 Inverness Campus. The matter was investigated both by the College Estates and Health & Safety departments, in conjunction with GTFM. Despite a thorough investigation, a definitive cause of the incident could not be established, though it is suspected that temperature fluctuation within the immediate area of the pane, in combination with potential over-tightening at pane fixings, resulted in the pane shattering. Post-incident actions have resulted in all panes of glass at the Sheiling Restaurant being covered with cloth sheets to mitigate glass debris injuring persons should a similar event occur. There were no injuries as a result of the incident and on reviewing witness accounts, there are no grounds to suspect intentional damage. At the time of writing this paper, the intention is to replace the glass pane screening at the Sheiling Restaurant and consideration is being given to taking the same action for similar screening throughout the building.

Policies

The following key policies were reviewed during 2020/21

- Email Usage and Retention Policy
- Information Security Policy
- University Partnership IS Acceptable Use Policy
- Marketing Policy
- Health, Safety and Wellbeing Policy
- Waste Management Policy
- Freedom of Information Policy
- Food, Safety and Allergen Management Policy

The Annual report on Freedom of Information was presented to the Committee in June 2021 and an update on GDPR was presented to the Committee in March 2021. No major issues were reported.

Value for Money and Procurement Annual Report 2020-21

A report on Value for Money and Procurement was discussed at the Finance and General Purposes Committee Meeting held on 27 January 2021 and then at the Board of Management meeting on 18 February 2021. An updated version of the report will be taken to the Finance and General Purposes Committee on 17 March 2022 and will go to the Board of Management Meeting on 31 March 2022 for final approval.

Business Continuity Plan

An update on our Business Continuity Plan including how this is shared, developed, stored, accessed and the work which is currently in progress was presented to the Committee in June 2021.

Restructuring within the Finance Department

It had been agreed within the Academic Year 2019-20 that we would share a common finance service between ourselves and North Highland College. The Finance Manager (Shared) role commenced in January 2021, and they are continuing to lead the transformation on the input functions within the team. The Project Accountant for Inverness College left in October 2020, and we have since promoted the Inverness Team Leader to Accountant. There continues to be efficiencies of work within the Shared Finance Team, however it is the view of the Assistant Principal – Finance and Audit that the Shared Finance Team has sufficient team members and resources to ensure that all work is completed.

Rollout of New Systems

Inverness College had been part of meetings to consider a new combined payroll and HR system with other partner colleges however it became clear that we did not have the time nor resources to deliver this at present. Thus, it was agreed that we would concentrate on the Inverness Payroll Upgrade which was due to be delivered by 31 December 2021.

Other new systems which were agreed and implemented throughout the year were:

- A system for budget preparation was agreed which involved budget holders and the EMT.
- Fee generation process and review of PECOS and its flow-through into the ledger system Sun Accounts

The implementation of these new systems has allowed top level monitoring to be carried out expeditiously.

Reprioritisation of Activities due to Covid-19

Inverness College focussed on clearing the backlog of students with deferred units from the Academic Year 2019/20. This was done in a way that minimised the number of staff and students on campus within semester 1 and 2 of the Academic Year 2020/21. We were able to provide the vast majority of HE delivery online apart from some practical activities within the School of Forestry. We were able to create a Covid-19 Risk Management Plan which was led by our Health and Safety Manager supported by the use of the Return-to-Work Alcumus Risk Management Checklist, Plan and Tracker. This risk assessment has formed the basis for all our decisions in reopening activity on site. The Covid-19 Transitional Management Group actively keeps the situation under review and responds to external changes, learning from experience and SMT guidance.

The impact of the COVID-19 restrictions on Academic Year 2020-21 can be seen in three main indicators:

1. Reduced credit activity
2. Reduced student satisfaction overall
3. Increased Early Withdrawal rates for students on full-time FE programmes

Planning for 2021-22 is now underway. Heads and Depute Heads of School are engaging with the latest Labour Market Information and other data from SDS to help ensure our offer responds to demand and to the impact of the COVID-19 environment.

Effects from Cyber Security Incident

Prior to the Cyber Security Incident, several changes had been made with regards to:

- Logins to College Accounts and ensuring these are made from within the UK only.
- Segmenting our college data backups
- Local Administer Password Solution has been introduced.
- Intune is being deployed across our mobile devices.
- SharePoint and OneDrive are being used for file storage.
- Online training for information security and data protection is now an annual requirement.

The Cyber Incident in March 2021 had a major effect on progressing the efficiencies within the Shared Finance Service. The following work has been undertaken by the Shared Finance Service in conjunction with the IT Department:

- Work with the Accounting software supplier to host Sun Accounts in the Cloud. This included meeting with the UHI Data Officer and Inverness Data Officer on data sharing agreements and liaison with IT. Finance staff have had to adapt to new ways of accessing the system.
- Because of performance issues with the Accounting system when hosted by the Supplier, following meetings with the UHI IT Director and some senior IT staff, the hosting of the system has been brought back in house.

ITEM 03

	<ul style="list-style-type: none"> • Work with Payroll suppliers to host payroll systems within the Cloud. This included meeting with the UHI Data Officer and Inverness Data Officer on data sharing agreements and liaison with IT. Payroll staff have had to adapt to new ways of accessing the systems. • Inverness Payroll system Cintra upgrade. • In practical terms the Finance Team experienced several weeks where they were unable to access the ledger. <p>Within the College we had to turn off access to several core services such as students records and reporting services (SITS), file services, timetabling and attendance system (Celcat), the finance and payroll systems as well as all on campus services such as PCs, servers, printing, and Wi-Fi.</p> <p>The majority of student facing services were unaffected and still accessible. Such as the virtual learning environment (BrightSpace), the library catalogue and video conferencing services. As well as other key Cloud services such as email and SharePoint being available to all staff and students, so there was minimal disruption to key communication channels.</p> <p>The initial impact review was to identify data and systems that needed to be brought back as soon as possible; such as key data needed to run the College or systems such as Payroll Finance & Celcat that would have had a significant impact if not available within timescales provided by the service owners.</p> <p>Key activity was broken down into working groups across the Partnership which Inverness College UHI staff both led and had leading roles in. As there is a shared UHI network it was essential that processes for data cleansing, system restores, and the rebuild of devices was done consistently and safely to avoid reinfection with cognisance of the on-going advice of the forensic expertise.</p>
<p>Opinion</p>	<p>The Audit Committee is of the opinion that the risk management of activities and controls in the areas examined by BDO were found to be suitably designed to achieve the specific risk management control and governance arrangements.</p> <p>The Audit Committee concurs with the (draft) opinion of BDO that the risk management, control, and governance arrangements were operating with sufficient effectiveness to provide reasonable, but not absolute assurance that the related risk management, control, and governance objectives were achieved for the period under review.</p>
<p>Circulation</p>	<p>Copy to the Auditors once approved by the Board of Management</p>
<p>Conclusion</p>	<p>The Audit Committee is pleased to report to the Board of Management that in its opinion the College has adequate internal controls, procedures, and systems in place</p> <p>Signed.....</p>

ITEM 03

	Chair, Audit Committee Date
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**Joint Finance and General Purposes Committee/
Audit Committee**

Meeting:	Joint Audit and Finance and General Purposes Committee
Meeting Date:	17 March 2022
Date Paper prepared:	8 March 2022
Brief Summary of the paper:	Update the Joint Committee on Finance Department
Action requested: [Approval, recommendation, discussion, noting]	Consideration and discussion
Link to Strategy: Please highlight how the paper links to, or assists with: <ul style="list-style-type: none">• compliance• partnership services• risk management• strategic plan• new opportunity/change	
Resource implications:	Yes If yes, please specify: Finance
Risk implications:	Yes If yes, please specify: Financial Operational Organisational
Equality and Diversity implications:	N/A

Item 04

	If yes, please specify:		
Consultation: [staff, students, UHI & Partners, External] and provide detail			
Status – [Confidential/Non confidential]	Confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	No		
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Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details) Discloses Operational Issues	X
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

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