

MINUTES of the MEETING of the AUDIT COMMITTEE held in the Boardroom, 1 Inverness Campus, on Tuesday 28 February 2017

PRESENT: Hazel Allen, Jaci Douglas, Louise James, Lindsey Mitchell, Steve Walsh

CHAIR: Louise James (items 1 & 2) Hazel Allen (items 3 – 10)

APOLOGIES: -

ATTENDING: Principal
Depute Principal
Director of Organisational Development
Finance Services Manager
ICT Services Manager
David Archibald, Henderson Loggie
College Secretary

1. MINUTES

- a. The minute of the Meeting of the Audit Committee held on 29 November 2016 was **AGREED** as a correct record and was approved and signed.
- b. The minute of the Meeting of the Joint Audit and Finance and General Purposes Committee held on 8 December 2016 was **AGREED** as a correct record and was approved and signed.

2. POLICIES**a. Records Management**

A number of revisions had been made to the records management policy and these had been discussed at Scrutiny Panel in December 2016 and at SMT in February 2017. The revisions were highlighted in a covering report.

The Committee **AGREED** to recommend the revised policy to the Board of Management for approval.

b. Health and Safety

A number of revisions had been made to the health and safety policy and these had been discussed at Scrutiny Panel in October 2016 and at SMT in December 2017. The revisions were highlighted in a covering report.

The Committee **AGREED** to recommend the revised policy, which included the health and safety policy statement, to the Board of Management for approval and subsequent signing by the Chair of the Board and the Principal.

Hazel Allen joined the meeting.

3. **OUTSTANDING AUDIT RECOMMENDATIONS**

A report by the Principal advised that the College had made significant progress in efficient and timely implementation of action points arising from internal audit recommendations. The outstanding action points from previous years had been reduced to two and one of these, relating to a function managed by UHI, was beyond the College's control.

Of the outstanding actions from 2016-17, two had been fully implemented and three had been partly implemented. The report provided a summary of each of the outstanding actions and the progress in implementing the recommendations.

The Committee **NOTED** the significant progress which had been made and were pleased to note that Executive Office had, together with other UHI partners (North Highland, Moray and West Highland Colleges) committed to a joint procurement exercise for a health and safety system through APUC. The cost had reduced considerably as a result of the joint procurement exercise.

4. **RISK REGISTER AND BUSINESS CONTINUITY**

A report by the Principal provided an update on risk management from an Inverness College and UHI partnership perspective. UHI Court had proposed that all partners adopt and score 11 generic risks to facilitate improved oversight and management of risk at the level of Regional Strategic Body. The addition of these risks to the Inverness College register did not preclude the recording and management of additional risks identified as being specifically pertinent to the organisation.

UHI as the Regional Strategic Body had in the last year been attempting to play a greater role in the risk management of academic partners. Meetings of Audit Chairs with the Chair of UHI's Audit Committee were being held and some effort was being made to discuss and align risk management across the partnership.

The UHI Court regularly received copies of the risk register of individual academic partners but was concerned that some generic high level risks were not being monitored by all partners and had identified the following 11 generic risks.

- Partner does not achieve allocated HE student number targets.
- Partner does not achieve allocated FE credits
- The institution has a poor reputation
- Disruption to services/projects and/or partnership working resulting from loss of a key staff member
- Non-compliance with relevant statutory regulations
- Governance Failure
- Financial failure/operating loss. Inability to achieve a balanced budget
- College estate not fit for purpose
- Academic quality is sub standard
- Poor Student Experience
- Research outputs are sub standard

The UHI Court had also requested that each academic partner regularly update their risk register directly to the UHI system and adopt the UHI process.

Following the proposed rationalisation, under the current register, there were 3 additional local risks that Inverness College would retain, namely

- Reduction in HE unit of resource
- The College is unable to continue to be locally responsive and accountable to its community
- The College fails to identify or pursue opportunities for development

The Committee discussed the financial position of two of the partner colleges and the requirement for the 5 incorporated colleges to achieve a balanced budget by the end of March 2017. They also considered the 11 generic risks and were very concerned that a number of risks could not be managed on an individual partner basis and that any risks to the College as a result of the governance structure of UHI were not included.

Reference was also made to the risks associated with the implementation of the new Finance System across the partnership and the specific risk to Inverness College UHI of the Director of Corporate Services position remaining vacant. The Principal advised that there had been a request to delay the recruitment as a result of issues affecting the wider partnership.

The Committee **AGREED** that the Chair of the Committee should raise these concerns with the UHI Court.

The Committee further **AGREED**

1. To endorse the proposals of the UHI Court to adopt 11 generic risks
2. To adapt the Inverness College UHI Risk Register to include the generic risks proposed
3. that the Risk Register be adopted and scored, subject to final review against the new Strategic Plan for 2017/20 and associated under-pinning strategies
4. that the Principal would provide timely updates to the Committee on the implementation of the new Finance System.

5. ICT SERVICES REPORT

A report by the ICT Services Manager provided an update on strategic and key ICT operational activities within the College. The report covered the key areas of

- ICT Infrastructure and Business Continuity
- Service update
- Information security

The ICT Services Manager was pleased to report that almost all staff had completed the mandatory online training modules on data protection and on information security. Internal audit reports on IT Network arrangements and Data Protection would be presented to the next meeting at the end of May.

The Committee **NOTED** the report.

6. HEALTH AND SAFETY

A report by the Health and Safety Manager provided an update on matters pertaining to health and safety.

The contract for the HSG 65 (Management System) H&S software was to be signed later in the day with the implementation phase of the project scheduled from 1 March through to the go live date of 10 July. The system and system users would be fully operational in advance of the 17/18 Academic year.

21 accident/incident/near miss reports had been received in Q2. Four of these were considered to be significant incidents and the mitigating actions were outlined in the report.

The fire management plan had been further refined following three fire evacuations, staff briefing sessions had been held and the duty managers had received guidance on the fire management procedure when on evening and Saturday duty. The Fire Brigade familiarisation visits were scheduled for both Beechwood and Balloch.

The Committee **NOTED** the actions and progress which was being made in a number of areas.

7. ACADEMIC PARTNER AUDIT COMMITTEE CHAIRS MEETING – 2 MAY 2017

The next Academic Partner Audit Committee Chairs meeting was scheduled for the beginning of May and it was important that the Committee consider any items which it wanted to be included in the agenda for this meeting.

The Chair confirmed that she and the College Secretary would review the list of previously agreed actions which had included, e.g. the sharing of the UHI Audit Plan and UHI Audit reports.

The Committee also **AGREED** that it would be appropriate for the Audit Committee to consider succession planning at partnership level.

8. AOCB – INTERNAL AUDIT TENDER

The Finance Services Manager advised that the contract with Henderson Loggie, the College's internal auditors would come to an end on 31 July 2017. A tender exercise was therefore required to ensure that internal audit service provision was maintained.

APUC had been approached to seek their assistance and they had advised that they were running a collaboration exercise with Executive Office, North Highland College and West Highland College. The intended start date was 1 August 2017 which aligned with our timing. There were a number of advantages in participating in the exercise, both in terms of the tender process itself and thereafter the ongoing provision of services.

The Committee discussed the potential that Henderson Loggie could be successful in the tendering process and continue as the College's internal auditors, already having held this position for 5 years. As there would be a new Director of Corporate Services, or equivalent, the Committee were comfortable that a professional relationship would be maintained. There was some concern about loss of control of the process. The Finance Services Manager confirmed that the process would be led by a member of APUC staff.

The Committee **AGREED** that Inverness College UHI should participate in a collaborative tender exercise for the provision of internal audit services and that the College should be able to influence the criteria and weighting within the tender documentation and be involved in the selection process which should include presentations by all tenderers.

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


9. DATA PROTECTION, FREEDOM OF INFORMATION, COMPLAINTS AND PUBLIC INTEREST DISCLOSURE ANNUAL REPORT 2016

A joint report by the College Secretary, Quality Manager and Information Development Manager provided an annual update on activity relating to data protection, freedom of information, public interest disclosure and complaints at Inverness College.

10. DATE OF NEXT MEETING

Tuesday 23 May 2017 at 8.30 a.m.

Signed by the Chair: _____



Date: _____

29/5/17

