

MINUTES of the MEETING of the AUDIT COMMITTEE held in the Boardroom, 1 Inverness Campus, on Tuesday 26 February 2019

PRESENT: Hazel Allen, Innis Montgomery, Fiona Neilson
CHAIR: Hazel Allen
APOLOGIES: Sarah Burton, Jaci Douglas, Steve Walsh
ATTENDING: Depute Principal
Director of Organisational Development
Director of Finance
Scott Peterson, BDO (items 1 – 10) (by teleconference)
Secretary to the Board of Management

1. MINUTES

The Minutes of the Meeting of the Audit Committee held on 22 November 2018 and the Joint Audit/Finance and General Purposes Committee held on 6 December were **AGREED** as a correct record, were **APPROVED** and signed by the Chair.

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. HEALTH AND SAFETY POLICY AND STATEMENT

The Director of Organisational Development referred to the health and safety policy and statement and advised that no changes had been made to the version which was approved in February 2018.

The Committee **AGREED** to recommend the health and safety policy and statement to the Board of Management for approval.

4. AUDIT REPORT - BUSINESS CONTINUITY MANAGEMENT

In accordance with the 2018-19 Audit Plan, Internal Audit had reviewed the design and operating effectiveness of the controls in place surrounding business continuity management arrangements.

Scott Peterson advised that BDO had provided moderate assurance over the design and operational effectiveness of the arrangements in place relating to business continuity management. A number of areas of good practice had been noted. Six recommendations were made in the report, 3 of medium significance and 3 of low significance.

The Committee welcomed the findings of the review and **REQUESTED** that any actions arising from the next test exercise in terms of risk be reported back to the Committee.

5. **OUTSTANDING AUDIT RECOMMENDATIONS**

A report by the Director of Finance provided an updated position on the implementation of action points arising from Internal Audit reports. There were only two outstanding actions, namely the development of a fixed asset register and SITS/SUN transfers.

The Committee **NOTED** the progress made and **REQUESTED** the Director of Finance to amend the due dates of the two outstanding actions.

It was **AGREED** that external audit recommendations should also be included in future reports.

6. **RISK REGISTER**

A report by the Director of Finance highlighted those risks currently identified as the most significant to the College. Summary information from the full risk register had been appended for information.

The Committee discussed the report. It was suggested that sensitive data should include more than just ICT data, that if undertaken, penetration testing should be included in the text and that reference to the residences operational working group and any actions agreed, should be included as mitigating actions in the text. Also, internal audit report actions should be included.

The Committee **APPROVED** the summary register format for quarterly reporting and **NOTED** that

1. the full risk register would be provided on an annual basis to the September committee meeting.
2. mitigating actions from the work on the finance strategy and on the finance system would be included in the next report.

7. **HEALTH AND SAFETY Q2 REPORT**

A report by the Health and Safety Manager provided a quarterly report on matters pertaining to health and safety, the key issues being as follows:-

- During Q2, the number of incidents reported through SHE in comparison with the same point last year had decreased by 18% from 99 to 75.
- There had been a decrease in incidents involving students by 30%
- Two incidents had been recorded where students had not been wearing PPE for the tasks they were involved in. Actions had been put in place to ensure that PPE was worn at all times
- The contract with SHE had been renewed
- Amended payments to nominated first aiders who would be required to complete mental health first aid training within three years.

The Committee **NOTED** the report.

8. **PUBLIC BODIES CLIMATE CHANGE REPORT**

A report by the Estates and Campus Services Manager outlined the actions being taken across the college to achieving carbon reduction, including projects as part of energy strategy: transport plan, energy management plan, waste management, capital projects and carbon management, and associated cross college projects.

The Committee **WELCOMED** the various initiatives and **AGREED** that further reports would be submitted to the Finance and General Purposes Committee

9. GDPR COMPLIANCE

A report by the Information Development Manager advised that in advance of the EU General Data Protection Regulation and the UK Data Protection Act 2018 coming in to effect on 25th May 2018, a plan of action was put in place to ensure the college's compliance with the new legislation. Policies were updated and training was delivered to all staff. Ongoing monitoring and improvement was critical to ensure compliance.

The Committee **NOTED** the report.

10. ACADEMIC PARTNER AUDIT COMMITTEE CHAIRS MEETING – MAY 2019

The next Academic Partner Audit Committee Chairs meeting would be held on 2 May 2019. Two items which should be considered were financial instability of the partnership and risk.

The Committee **AGREED** that the Board Secretary would e mail all members in mid- April seeking any other items for inclusion in the agenda

11. ANNUAL REVIEW OF EXTERNAL AUDITORS PERFORMANCE

The Committee completed the annual review of the external auditors' performance for 2017/18.

The Committee **NOTED** that the results of the evaluation, to include the evaluation completed by the Director of Finance would be fed back to the auditors in writing.

The items 12 – 14 were included in the agenda for noting only and therefore no discussion took place at the meeting.

12. 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.

13. AUDIT COMMITTEE SELF-EVALUATION – ACTIONS

The Director of Finance provided briefing notes on the role of the audit committee in relation to the institution's fraud and corruption procedures and in the rare event of external audit qualifying the institution's financial statement

14. COMMITTEE SELF EVALUATION ACTION PLAN – PROGRESS

A number of actions within the action plan had been progressed and were now shown as complete.

15. AOCB

a. INTERNAL AUDIT COMMITTEE ATTENDANCE

The Director of Finance advised that Claire Robertson, Director BDO, had advised that she would be unable to attend future audit committee meetings

scheduled for February each year due to attendance at an annual training course. She had requested a change to the timings of Audit committee meetings.

The Committee **AGREED** that the timings of audit committee meetings were part of the full schedule of Board and committee meetings and could not be amended.

b. ANTI FRAUD POLICY

The Director of Finance advised that she was developing an anti-fraud policy which would be presented to a future meeting of the committee for approval.

16. DATE OF NEXT MEETING

Tuesday 28 May 2019 @ 08.30

Signed by the Chair: _____



Date: _____

28/5/19