

MINUTES of the MEETING of the AUDIT COMMITTEE held in the Boardroom, 1 Inverness Campus, on Tuesday 10 March 2020

PRESENT: Jaci Douglas (Acting Chair), Chris O'Neil, Innis Montgomery, Fiona Neilson, Lindsay Ferries, Roddy Henry, Sally Blyth, Chloe Ridley (Internal Auditor), Nicholas Oakley (Acting Clerk), Stephanie Thompson (Interim Board Secretary).

Welcome and Apologies

The Chair opened the meeting, welcomed the members, and noted the apologies from Hazel Allen.

Declarations of Interest

The Chair declared an interest in items relating to the Inverness College nursery.

ITEMS FOR DECISION

1. MINUTES

a) Minutes of Meeting of the Audit Committee held on 26 November 2019

The Committee **approved** the minute of the last Audit Committee meeting as an accurate record.

b) Minutes of Meeting of the Joint Audit and Finance and General Purposes Committee held on 5 December 2019

The Committee **approved** the minute of the last Joint Audit and Finance and General Purposes committee meeting as an accurate record.

2. OUTSTANDING ACTIONS

The Committee discussed the outstanding actions from previous meetings, and **noted** the following updates:

27 November Action 1 – The risk register is currently modelled on UHI model, it would give SMT and Committee assurance if another column was added for mitigating actions. Action: SMT

Action 2- Applying joint planning across the partners. Risks considered at PC need to be deeper and needs to be looked at. Report back to the Audit committee for next meeting. Action: Principal.

28 February – both actions are now complete.

ITEMS FOR DISCUSSION

3. UPDATE ON THE FINANCIAL PLANNING RECOVERY PLAN PROGRESS - CONFIDENTIAL

Finance System Update

The Committee received an update on the finance system.

Financial Recovery Plan

The Committee heard that the financial recovery plan was being discussed by the Board on 12 March 2020, and that it would return to the next Audit Committee for further review and discussion.

MicroRAM

The Committee heard that progress on the MicroRAM issue, particularly around the financial ‘cushion’ expected from the University, had been delayed. Discussions between the Principal and the Interim Principal and Vice Chancellor were ongoing to find a solution on the financial cushion issue, which may include reallocation of SIF funds.

National Pay Bargaining

Committee members queried whether any further discussions with the Scottish Government on mitigating the national pay bargaining impact were ongoing. Members heard that this was being taken forward by Colleges Scotland.

Coronavirus

The Committee heard that the potential impact of coronavirus was not included in the financial recovery plan. The Committee noted that preparations for coronavirus response were well advanced, led by the Depute Principal in liaison with the University, Health Protection Scotland, and other relevant stakeholders.

Water Claim

The Committee heard that the outstanding water claim issue was still ongoing, and subject to further negotiations and mediation between the parties.

The Committee **noted** the financial recovery plan, recognised the difficult circumstances necessitating it, welcomed the approach taken and transparency of the SMT in its preparation, and offered their continued support to the efforts of the SMT for implementing the plan.

4. FINANCE SYSTEM STATUS UPDATE

This item was discussed above [item 3]

5. UPDATE ON THE FINANCE DEPARTMENT STAFFING STRUCTURE

This item was discussed above [item 3]

6. INTERNAL AUDIT REPORTS

The Committee noted the internal audit reports, presented by the Internal Auditor.

There were two recommendations arising from the Business Planning and Performance Management; R Henry requested a meeting with S Morrison to clarify some of the findings.

The Committee noted that cash handling was the next audit planned.

The Committee asked that at the next planning session for future audits that finance practices/processes be included (Action: Chair and Internal Audit Team)

The Committee also asked the Internal Audit team to look back at the previous financial planning audit and bringing it back to the next Audit Committee for review. (Action: Internal Audit Team)

7. OUTSTANDING AUDIT RECOMMENDATIONS

The Committee noted the outstanding audit recommendations. The Interim Director of Finance recommended that a small contract with the NHS or Highland Council for 1-2 days a year of NFI exercise training should be sought; ideally this should be done alongside other academic partners too.

The Committee heard that a permanent board secretary was now in place and outstanding good governance items would be taken forward with them.

8. RISK REGISTER - CONFIDENTIAL

The Committee considered additional risks to be added to the risk register. The Interim Director of Finance reported that the new risks had been given an indicative scoring but that the SMT still needed to review these. The Committee **agreed** to add the discussed risks to the register pending fuller SMT review of the scoring.

9. HEALTH AND SAFETY Q2 REPORT - CONFIDENTIAL

Committee members **noted** the report and welcomed the new visual element which was helpful.

10. GDPR 6 MONTH REPORT

The Committee **noted** the GDPR report, and that lessons were being learned from breaches and that staff training was implemented where appropriate. Members asked whether catchup training for board members on IT security was available; the suite of board member compliance training (EDI, H&S, safeguarding etc) would be reviewed and reviewed at the next Audit meeting. (Action: Secretary)

11. PUBLIC BODIES CLIMATE CHANGE REPORT

The Committee **noted** the climate change report. Members asked that the sustainable procurement policy come to the next Audit Committee for discussion (Action: L Ferries and Secretary)

12. NEW FRAUD INITIATIVE

[Discussed under item 7]

ITEMS FOR NOTING

13. AOCB

The Chair and the Committee members expressed their thanks to the Interim Director of Finance for her work and expertise during her tenure at the college.

There was no other business and the Chair closed the meeting at 10:30.

14. DATE OF NEXT MEETING

Tuesday 2 June 2020

A handwritten signature in black ink, appearing to read 'A. M. Khan', written in a cursive style.

Signed on behalf of the Chair:

Date: 02.06.20