

MINUTES

Meeting: Audit and Risk Committee: Private Pre-meeting with Auditors

Date: Thursday 17 November 2022 at 1.30pm

Location: Microsoft Teams

Present: Brian Fisher (Chair), Mike Boyle, Evelyn McPhail, Samantha Mowbray

In Attendance: David Eardley (Azets), Stephen Reid (Ernst & Young), Rachel Wynne (Ernst & Young), Marianne Philp

1 Welcome

The Chair welcomed those present to the meeting and reminded members that private meetings could be requested at any time by the auditors or by Committee members. Once a year a meeting was arranged to give a formal opportunity to discuss any issues that may have arisen.

2 External / Internal Audit Process

The external auditor was offered the opportunity to highlight any issues that may have arisen over the past year and in particular during the audit of the year-end accounts. The external auditor confirmed that there were no issues to raise that could not be covered in the open meeting. The external auditor confirmed that the audit process had gone very smoothly with proactive and positive engagement from all staff involved in the process. The external auditor highlighted that a few more complex areas had arisen this year as detailed within his report on the main agenda.

A query was raised about whether the deterioration of the financial outlook and challenges faced by the sector overall had highlighted any concerns specific to Fife College. The external auditor confirmed that the scale of the challenge faced was significant for all Colleges, hence the grading given in his report (which was the grading given to all Colleges), and that he had no concerns about anything specific to the way Fife College was managing the situation.

The internal auditor was invited to highlight any issues that may have arisen over the past year. The internal auditor commented that staff involved were consistently proactive and responsive and there were no issues to raise with the Committee. He confirmed that all internal audit work was progressing to plan.

Members queried whether sufficient time was allocated to internal audit. The internal auditor confirmed that whilst he would always recommend more days be allocated, he recognized that a balance was required. He confirmed that best use was made of the allocated resource and prioritisation was undertaken in an appropriate way.

The Chair commented that it was reassuring to once again hear such positive feedback, and thanked the auditors for their input.

MINUTES

Meeting: Audit and Risk Committee

Date: Thursday 17 November 2022 at 2.00pm

Location: Microsoft Teams

Present: Brian Fisher (Chair), Mike Boyle, Evelyn McPhail, Samantha Mowbray

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

1 Welcome

The Chair welcomed those present to the meeting.

2 Minutes of the Previous Meeting: 8 September 2022

The minutes of the previous meeting were approved as an accurate record.

3 Matters Arising / Actions Outstanding

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

4 Any Emerging Themes

Committee members queried if the risk of industrial action being taken was increasing. The Principal confirmed that it was extremely likely there would be industrial action at a national level and that the Executive Team was planning for this based on information as and when it was released.

A brief update was also provided on funding for the new learning campus.

5 Strategic Risk Register Update

The contents of the paper that had been circulated were noted. Those risks that were outwith tolerance levels were discussed in detail. Other changes made since the last meeting were outlined and noted. Members commented that it felt uncomfortable having four risks outwith tolerance levels but accepted that this reflected the current environment.

Decision: The job evaluation national project to be separated out as a new strategic risk (rather than being included in risk 9) in light of elongated timescales, lack of clarity and key milestone dates for discussion at the next meeting, and thereafter recommended to the Board of Governors for approval as part of the overall strategic risk register.

Responsibility: Deputy Principal

Deadline: 7 March 2023

6 Internal Audit

6.1 Update on Internal Audit Actions: Exception Report

The contents of the paper that had been circulated were noted. It was confirmed the internal audit plan was on target and that only one action was marked as open and this was not yet due for completion.

6.2 Credits Return 2021-22

The contents of the report that had been circulated were noted. Members were reminded that this report was required by the Scottish Funding Council. The conclusion on page 26 of the Boardpack confirmed that controls were generally well designed and effective, and no recommendations had been made.

6.3 Student Support Funds 2021-22

The contents of the paper that had been circulated were noted. It was highlighted that this report was required by the Scottish Funding Council. The conclusion on page 35 of the Boardpack confirmed that no issues had been identified during the audit.

7 National Fraud Initiative (NFI) Update

The contents of the paper that had been circulated were outlined and noted. It was confirmed that staff and suppliers were notified in advance that the NFI was being undertaken.

Decision: To bring the NFI checklist to the next meeting for review.

Responsibility: Deputy Principal

Deadline: 7 March 2023

8 Draft Audit Committee: Annual Report to the Board of Governors

The contents of the papers that had been circulated were noted. It was confirmed that the report had been drafted in line with previous years' reports. It was suggested that in paragraph 4.4 of the report (page 45 of the Boardpack) details of the additional work undertaken by the external auditors be added into the text. The external auditor confirmed that this was as detailed in his report, and also highlighted that this was not any reflection on the College's work.

Decision: To update the Annual Report to the Board of Governors and present it to the next meeting with the annual accounts.

Responsibility: External Auditor/Deputy Principal **Deadline:** 8 December 2022

9 Procurement Options Paper Update for the Provision of Internal Audit Services

The internal auditor declared an interest and withdrew from the meeting.

The contents of the papers that had been circulated were noted. Committee members were reminded that at a previous meeting a decision had been made to undertake a tender exercise using the new framework that was due to be issued. Notification had been given

that this would now be delayed by one year and options therefore had been set out in the paper for the consideration of the Committee. These were outlined and discussed in turn.

Decision: To proceed with the procurement exercise for internal auditor services based on the existing extended framework.

Responsibility: Deputy Principal

Deadline: 7 March 2023

10 **Review of Meeting**

Members commented that the format of papers was useful and had allowed for good discussion in the meeting.

Decision: Where questions are submitted in advance of the meeting by members, to circulate these and the responses to all Committee members for information.

Responsibility: Director: Governance and Compliance

Deadline: 7 March 2023

11 **Date of Next Meeting**

Tuesday 7 March 2023 at 3.30pm