

# MINUTES

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**Meeting:** Audit and Risk Committee

**Date:** Thursday 8 September 2022 at 3.30pm

**Location:** Microsoft Teams

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

**In Attendance:** Hugh Hall, Susan Dunsmuir, David Eardley (Azets), Marianne Philp

## 1 Welcome

The Chair welcomed those present to the meeting, and in particular Mike Boyle was welcomed to his first meeting.

## 2 Minutes of the Previous Meeting: 2 June 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

Discussion of emerging themes and the risk register is recorded under item 5 below.

## 5 Strategic Risk Register Update

The contents of the paper that had been circulated were noted and the risk register for 2022-23 was recommended for approval to the Board of Governors.

The current external environment and inflationary costs was discussed and it was noted that the impact of this had been covered in risk 2. The 5 year financial forecast had been prepared and the situation remained very fluid. The F1 budget process had also commenced. It was confirmed that the Finance Directors for the sector were working together to request more funding and realignment. The impact on learners continued to be at the centre of all decisions taken when looking at costs.

There was a discussion about student recruitment and retention. It was confirmed that the Scottish Government had confirmed that discretionary funding would remain open. The Executive Team had discussed student retention and were preparing an action plan to ensure that a focus remained on retaining students and a series of early interventions. It was noted that as costs were rising those students who were employed may require to work longer hours, which could impact on their time available to study.

An update was provided on recent progress with the new Dunfermline Learning Campus project. The situation was dynamic but positive. An update would be provided at the Board meeting.

**Decisions:**

- To recommend the risk register for 2022-23 to the Board of Governors for approval.
- To include an update in Board papers about student retention and the impact of rising costs; and on the progress with the new Dunfermline Learning Campus.

**Responsibility:** Principal/Chief Financial Officer

**Deadline:** 29 September 2022

## 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 highlighted that all actions had been completed.

### 6.2 Governance and Information Management

The contents of the report that had been circulated were noted. Good practice and areas for improvement were outlined on page 26 of the Boardpack. Two recommendations had been made and had been agreed by management.

### 6.3 Internal Audit Annual Report

The contents of the paper that had been circulated were noted. It was highlighted that a clean audit opinion had been given on page 38 of the Boardpack. Members commented that it was unusual to see such a clean audit report and commended management and all staff involved in this outcome.

## 7 Draft Response to Letter from External Auditors

The contents of the paper that had been circulated were noted. It was noted that this was an annual process, and that the response had been updated to reflect progress in 2021-22.

**Decision:** To approve the draft response to the letter from the external Auditors.

**Responsibility:** Director: Governance and Compliance

**Deadline:** 12 September 2022

## 8 Annual Update Reports

### 8.1 Whistleblowing Policy and Procedure

### 8.2 Fraud Prevention Policy and Response Plan

### 8.3 Business Continuity Planning

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

## 9 Performance and Effectiveness Review: Feedback

The contents of the papers that had been circulated were noted. The comments were highlighted and discussed.

## 10 Annual Report to the Board

The contents of the paper that had been circulated were noted. Attention was drawn to the second bullet point on page 57 relating to the internal auditor tender process and it was agreed that this would be reworded.

**Decision:** To approve the annual report for submission to the Board of Governor, subject to the suggested change being made.

**Responsibility:** Director: Governance and Compliance      **Deadline:** 29 September 2022

## 11 Review of Meeting

Members commented that the addition of emerging themes and having this and the strategic risk register at the start of the agenda had enhanced meetings.

## 12 Date of Next Meeting

Thursday 17 November 2022

- Annual private pre-meeting: 1.30pm
- Audit and Risk: 2pm
- Joint Audit and Risk/Finance, Commercial and Estates: 3.15pm