

## Audit Committee

You are invited to attend a meeting of the **Audit Committee** to be held on  
**Thursday 6 February 2014** in room **S0.112, Stirling Campus** at **5.00pm**.

### Agenda

1. Apologies for Absence
2. Declarations of Interest

#### FOR APPROVAL

3. Minute of Audit Committee of 26 November 2013
4. Matters arising
  - a) A/13/014 Revised Internal Audit Annual Report
  - b) A/13/020 Internal Audit: Presentation of Reports
  - c) A/13/020 Internal Audit: Presentation of Reports
5. Committee Meetings and Programme of Business Alison Stewart
6. Extension of Internal Audit Appointment to 31 March 2015 Alison Stewart

#### FOR DISCUSSION

7. Progress Report on Audit Recommendations Stephen Jarvie
8. Internal Audit: Presentation of Reports Baker Tilly
  - a) Community Planning Partnerships
  - b) Student Finance
9. Risk Management Alison Stewart
10. Review of Risk
11. Any other competent business

## Audit Committee

<b>Meeting:</b>	<b>Audit Committee</b>
<b>Location</b>	<b>S1.18 Stirling Campus</b>
<b>Date:</b>	<b>26 November 2013 (commencing at 5.30pm)</b>

Present: Mr Bob Gil (Chair)  
Mrs Beth Hamilton

Apologies: None

In Attendance: Mr Stephen Jarvie, Corporate Governance and Planning Officer  
Mrs Alison Stewart, Director of Finance and Corporate Services  
Mrs Janet Hamblin, Baker Tilly  
Mrs Cathie Wyllie, Henderson Loggie  
Mrs Shona Struthers, Finance Committee Chair  
Mrs Monica Halcro, Finance Manager

### **A/13/011 Declarations of Interest**

None

### **A/13/012 Minutes of meeting held on 5 September 2013**

The Minutes of meeting of 5 September 2013 were approved as a correct record.

### **A/13/013 Matters Arising**

a) A/13/004 Internal Audit Annual Report

This was covered under item A/13/014

### **A/13/014 Revised Internal Audit Annual Report**

Janet Hamblin, Baker Tilly, presented the revised internal audit annual report, which incorporated recent audit activity.

She noted that the Community Planning Partnership audit was currently being finalised and that this would be brought to the next meeting of the committee.

She discussed the Stock Control, noting that there was a high recommendation relating to catering stock control but that this was not material to the operations of the College.

Members requested that the report be amended to reflect the materiality of the Stock Control audit.

The Corporate Governance and Planning Officer raised the issue of follow up on completed audit recommendations and outlined the new recording system in place. Following discussion members agreed that, for past audit recommendations, Baker Tilly would check these on a sampling basis.

- a) Members approved the content of the report, subject to the changes requested above

**A/13/015 Draft External Audit Annual Report to the Board**

Cathie Wyllie, Henderson Loggie, presented their draft report to members. She noted that there had been a number of adjustments made in relation to minor modifications within the balance sheet.

She also noted that Henderson Loggie had been in contact with Baker Tilly regarding the recent Internal Audit activity and that she was confident that there are no issues arising from internal audit which would affect their report.

- a) Members approved the content of the report

**A/13/016 Audit Committee Chairs Annual Report to the Board of Management**

The Chair presented the draft report to members. It was noted that the report needed to incorporate the overall assurance from the Internal Audit Annual report and that, now the report had been presented to and approved by members, this would be added.

- a) Members approved the content of the report
- b) Members approved that the Chair would sign off on the amendments above on behalf of the committee

**A/13/017 Internal Audit Project Plan**

Janet Hamblin, Baker Tilly, presented the internal audit project plan for the year. She noted that the plan had been created in consultation with Senior Management and covered the period to end March 2014 to reflect the change in the financial year from 2014/15 onward.

- a) Members approved the internal audit project plan

**A/13/018 Draft Annual Report and Financial Statements 2012/13**

The Director of Finance and Corporate Services presented the Draft Annual Report and Financial Statements. She highlighted to members that it may be necessary to perform a prior year adjustment due to ONS reclassification and led members in a discussion on the options and implications of this.

The Director of Finance and Corporate Services noted that the draft Annual Report and Financial Statements were currently in draft format and that Henderson Loggie had requested some further minor changes to be made.

Overall the accounts are in a positive position and are reporting an operating surplus compared to the budget, demonstrating that the College continues to be operationally strong and past deficits in recent years have related to the estates.

- a) Members approved the Draft Annual Report and Financial Statements 2012/13 subject to the amendments discussed

**A/13/019 Progress Report on Audit Recommendations**

The Corporate Governance and Planning Officer presented the report outlining progress against audit recommendations. He noted that a number of recommendations have been completed and that those considered to be 'live' at this time were all within date.

a) Members noted the content of the report

**A/13/020 Internal Audit: Presentation of Reports**

Janet Hamblin, Baker Tilly, presented members with the reports for internal audit activity that had occurred since the last meeting of the committee.

She noted that the Post Implementation Review audit had been very successful with no recommendations. Similarly the Student Activity audit had been very successful with no recommendations.

On the Business Continuity Plan audit, she highlighted that there were a number of recommendations, with 9 ranked as Medium. She further noted that the management responses were satisfactory.

Members were concerned regarding the number of recommendations. The Corporate Governance and Planning Officer noted that, while there were issues in terms of the written procedures, operationally the Colleges approach to business continuity had been demonstrated as being robust in a number of incidents.

The Director of Finance and Corporate Services assured members that this matter was being progressed internally and that a paper would be taken to SMT to approve the appointment of specialists to ensure that the plan was updated to reflect current best practice.

Members requested that this be added to the risk register. The Corporate Governance and Planning Officer confirmed that this had already occurred.

Janet Hamblin presented the Stock Control Audit. She noted that there were 1 High recommendation, with 5 Medium and 3 Low.

In relation to the High recommendation she confirmed that this related to the overall control of stock.

Members reviewed the report and requested that the recommendations for the High item be implemented as soon as possible.

a) Members noted the content of the reports

**A/13/021 Risk Management**

The Director of Finance and Corporate Services presented the risk register to members. She highlighted that the register had been amended to record progress to date against mitigating actions and a visual tracker to show changes to scores when they occur.

Members queried the score allocated to the Business Continuity Plan and asked that this be reviewed.

a) Members noted the content of the report

**A/13/022 Review of Risk**

The Chair highlighted that Stirling Council were currently examining the impact of an anticipated rise in NI contribution and noted that the College should be aware of this.

**A/13/023 Any Other Competent Business**

None