

Audit Committee

You are invited to attend a meeting of the **Audit Committee** to be held on
Thursday 19 March 2015 in room **S1.18, Stirling Campus** at **4.30pm**.

Agenda

1. Apologies for Absence
2. Declarations of Interest

FOR APPROVAL

3. Minute of Audit Committee of 27 November 2014
4. Matters arising
 - a) A/14/006 Presentation of Internal Audit Reports

5. FE Code of Governance

Alison Stewart

FOR DISCUSSION

6. Presentation of Internal Audit Reports
 - a) Payroll

Baker Tilly

7. Progress Report on Audit Recommendations

Stephen Jarvie

8. Risk Management

Alison Stewart

9. Review of Risk

10. Any other competent business

FOR INFORMATION

Programme of Committee Business

Principal's Office, Falkirk Campus (commencing at 4.30pm)

Present: Mr Bob Gil (Chair)
Mr Colin Alexander

Apologies: Mrs Beth Hamilton
Mr Nigel Scott

In Attendance: Mrs Alison Stewart, Associate Principal and Executive Director of Finance
Mr Stephen Jarvie, Corporate Governance and Planning Officer
Ms Eleanor Rooke, Baker Tilly
Mr Tom Gorman, Associate Principal and Executive Director of Estates Developments (A/14/006 a)
Mr Steven Still, HR Manager (A14/006 b)
Mrs Caroline Hogg, Business Development Manager (A/14/007)

A/14/001 Apologies for Absence

Beth Hamilton and Nigel Scott submitted their apologies.

A/14/002 Declarations of Interest

None.

A/14/003 Minute of Audit Committee of 17 June 2014

The Minutes of meeting of 17 June 2014 were approved as a correct record.

A/14/004 Matters Arising

a) A/13/052 Appointment Process for Internal Auditors

The chair noted that an update on this would be provided under item A/14/005

A/14/005 Extension of Internal Audit Appointment to 31 July 2015

The Director of Finance presented a paper requesting approval to recommend to the Board of Management that the appointment of Baker Tilly be extended to 31 July 2015.

She noted that a previous paper had been presented where approval had been granted to extend Baker Tilly's appointment to 31 March 2015 to accommodate the mandated change in financial year end.

Since this approval had been granted, the College had been informed by the Scottish Funding Council that the financial year end had been changed back to 31 July.

Accordingly, to ensure continuity, it was proposed to further extend Baker Tilly's appointment to the end of July 2015. The Director of Finance also noted that, to utilise this extra time, an audit planned for the 2015/16 financial year would be brought forward.

- a) Members approved the recommendation to the Board for the extension to the appointment of Baker Tilly

A/14/006 Presentation of Internal Audit Reports

- a) FES Facilities Management Contract – Value for Money

Eleanor Rooke presented the report on FES contract management. She highlighted the recommendations made and the Director of Estates Development provided feedback to members on the implementation of the recommendations.

Members noted the recommendation relating to Business Continuity and requested that the College have sight of FES continuity plan to ensure there were linkages to the College continuity plan. Members also highlighted that business critical aspects relating to FES activity should be identified.

On the recommendation covering communication links and sub-contractors, members noted that there was a potential for reputational damage and that the College should review the contract with FES to ensure there was an appropriate approval mechanism in place for performance of, and changes in, sub-contractors.

Members requested more information relating to the work orders recommendation. The Director of Estates Development confirmed that there had been a slight disconnect between FES and the College owing to the differences in the systems used.

Members noted that the College should consider moving to a compatible electronic system for this and the asset register system and also should review ownership of the data to ensure there is no risk of data loss should the FM contract terminate.

Members highlighted that the audit identified areas of the original contract that had not been implemented. Members queried whether this delivered value for money and recommended that an updated pricing be obtained from FES prior to the extension of the contract.

Members also suggested approaching FES on the issue of increasing energy efficiency, noting that a shared approach to implementation and savings could be utilised.

Members noted the content of the report.

b) HR Effectiveness

Eleanor Rooke presented the report on HR Effectiveness. She noted that there were no high recommendations and those recommendations within the report were primarily suggestions on how to improve existing practice.

The HR Manager provided members with an update on progress against each recommendation.

Members noted the content of the report.

c) SUMs

Eleanor Rooke presented the report on SUMs within the College. She noted that there were only a couple of very minor recommendations and outlined the reasons for these.

Members noted the content of the report.

A/14/007 Presentation of SDS Audit Report

The Business Development Manager summarised the two Skills Development Scotland reports arising from their audits of the Business Development team.

She highlighted the changes in recent SDS practice and noted that, while these were more rigorous than past inspections, she did not anticipate any issues arising from this.

a) Members noted the content of the reports.

A/14/008 Progress Report on Audit Recommendations

The Corporate Governance and Planning Officer updated members on progress towards implementation of audit recommendations.

He noted that there were three recommendations where an extension to the completion date had been requested and outlined the reasons for each of these.

a) Members noted the content of the update and the revisions to the completion dates

A/14/009 Risk Management

The Director of Finance provided members with an update on the College's strategic risk register. She commented on the changes to the register, noting the inclusion of a risk relating to the recent court ruling on holiday pay and the intention to remove the risk relating to insurance following the recent Scottish Government decision that Colleges can maintain commercial insurances for the next three years.

- a) Members noted the content of the update

A/14/010 Review of Risk

Risks were identified in each covering paper.

A/14/011 Any Other Competent Business

None
