

Room S1.19, Stirling Campus  
4.30pm (refreshments available from 4.00pm)

**AGENDA**

1. Apologies for Absence
2. Declarations of interest

**FOR APPROVAL**

3. Minute of Audit Committee of 4 June 2015
4. Matters Arising
  - a) A/14/026 External Audit Planning Memorandum
5. Internal Audit Plan 2015-2018 Scott Moncrieff
6. Internal Auditors Annual Report 2014/15 Baker Tilly

**FOR DISCUSSION**

7. Presentation of Internal Audit Reports Baker Tilly
  - a) Marketing and Communications (to follow)
  - b) Follow up
8. Progress Report on Audit Recommendations Stephen Jarvie
9. Risk Management Alison Stewart
10. Review of Risk
11. Any other competent business

**FOR INFORMATION**

Programme of Committee Business

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**Boardroom, Falkirk Campus (commencing at 4.00pm)**

Present: Mr Nigel Scott (Chair)  
Mr Colin Alexander  
Mr Ralph Burns

In Attendance: Dr Ken Thomson, Principal  
Mr Stephen Jarvie, Corporate Governance and Planning Officer  
Ms Eleanor Rooke, Baker Tilly (except for item A/14/025)  
Mrs Cathie Wyllie, Henderson Loggie  
Mr David Allison, Associate Principal and Executive Director Information Systems  
(For item A/14/027)  
Mrs Colette Filippi, Associate Principal and Executive Director Business Development  
(For item A/14/027)

**A/14/021 Apologies for Absence**

Mrs Lorna Dougall  
Mrs Beth Hamilton

**A/14/022 Declarations of Interest**

None.

**A/14/023 Minute of Audit Committee of 19 March 2015**

The Minutes of meeting of 19 March 2015 were approved as a correct record.

**A/14/024 Matters Arising**

a) A/14/018 Risk Management

Members had requested that risk ID no 11 be revised to reflect the mitigating actions in place. It was confirmed that this had occurred.

b) A/14/017 Progress Report on Audit Recommendations

Members noted that the impact on recommendation progress of key staff being off for long term illness had been raised. The Corporate Governance and Planning Officer confirmed that this matter had been discussed with the Associate Principal and Executive Director HR and Operational Effectiveness.

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**A/14/025      Appointment of Internal Auditors**

The Corporate Governance and Planning Officer presented a report outlining the recent recruitment process for the appointment of the College's Internal Auditors.

He informed members that the process had been conducted under the relevant APUC framework and that the evaluation panel for submissions consisted of College staff, an APUC representative and Mr Nigel Scott for the Board of Management.

He reported that, owing to the clear discrepancy in score between the first place organisation and its closest competitor after the group assessment, it was agreed not to progress with the tenderers presentations as the remaining points to be gained were insufficient to change the outcome. He also highlighted to members that a recommendation report from APUC was attached to the papers provided to members.

Mr Nigel Scott confirmed that there had been a clear winner in the appointment process owing to their experience with the Scottish College sector and that he was confident the scoring system used had been thorough.

- a) Members approved the appointment of Scott Moncrief as the College Internal Audit firm from 1 August 2015 subject to full Board of Management approval

**A/14/026      External Audit Planning Memorandum**

Mrs Cathie Wyllie discussed the proposed external audit plan for the 2014/15 annual audit which is based upon the Audit Scotland framework and code of practice. She highlighted the key aspects of the review and the proposed methodology and staff to conduct the review.

She noted that this would be the first year of accounts with the College as an arm's length public body.

Members queried the fee range within the plan document. Mrs Wyllie noted that the fee levels were set and administered by Audit Scotland and that the final fee charged is dependent upon the amount of work involved in the audit.

Members asked if there was a way to correlate the fee to the work undertaken to ensure transparency. The Principal noted that he would ask the Associate Principal and Executive Director Finance to cover this as a matters arising at the next meeting of the committee.

- a) Members approved the External Planning Memorandum for 2014/15
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**A/14/027 Presentation of Internal Audit Reports**

Eleanor Rooke, Baker Tilly, presented two reports to the committee.

**Business Development (Phase 2)**

Ms Rooke informed members that an initial phase 1 review had occurred in 2014 to look at the new systems and approaches being adopted with a view to making recommendations on the effective management of this activity.

The audit report presented to members covered the follow up phase 2 review which was designed to both ensure that the phase 1 recommendations had been implemented and to assess the final system, using a sample basis.

The audit report noted that there was substantial assurance that everything was operating as it should be. There were 4 minor further recommendations made and the team are in the process of implementing these.

Members queried the completion date on one of the recommendations. The Associate Principal and Executive Director Business Development reported that this recommendation would be completed once a full financial year of information was available.

Members queried whether the College utilises its own contracts or that of third parties. The Associate Principal and Executive Director Business Development provided an overview of the College contracting process and confirmed that the default position was to utilise the College's own contracts where acceptable.

**IT Helpdesk (Phase 2)**

Ms Rooke noted that the Phase 2 audit had been conducted by one of Baker Tilly's specialist IT auditors.

She confirmed that the report was positive and, similar to the Business Development audit, the phase 2 audit was designed to verify the phase 1 recommendations had been implemented and to provide a review of the new systems in place.

Members queried the timing for the development of KPI targets and SLA's. The Associate Principal and Executive Director Information Systems confirmed that the College was waiting to develop an appropriate evidence base to ensure the KPI's and SLA's put in place were relevant and would support the continued development of the IT Helpdesk system.

Members queried the number of recommendations from the Phase 2 audit implemented to date. The Associate Principal and Executive Director Information Systems reported that these recommendations were dependant both upon the

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restructuring of the team in place and the recruitment of additional staff. This had now occurred and activity was occurring against the remaining recommendations.

- a) Members noted the content of both audit reports

**A/14/028 Progress Report on Audit Recommendations**

The Corporate Governance and Planning Officer updated members on progress against audit recommendations since the last meeting of the committee.

He noted that there was one recommendation (ID No 40) requesting an extension and outlined the reasons for this.

- a) Members noted the content of the report

**A/14/029 Risk Management**

The Principal presented the latest version of the College's Strategic Risk Register. He highlighted the changes to the register since the last committee meeting with the addition of one new risk and the removal of a redundant risk.

He outlined the SMT review process for risks and the benefit this provided to Senior Management in giving them a fuller understanding of issues faced by the College.

- a) Members noted the content of the report

**A/14/030 Review of Risk**

No risks were identified.

**A/14/031 Any Other Competent Business**

None.

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