

## Board of Management

### Meeting of the Audit and Assurance Committee

**MINUTE OF 3<sup>rd</sup> MEETING HELD ON TUESDAY 6 DECEMBER 2021 AT 1530 HRS (AAC3)**

<b>Present</b>	
Graham Mitchell (GM) Convener	Paul Hillard (PH)
Lorna Hamilton (LH)	Ronnie Quinn (RQ)
<b>In attendance</b>	
Paul Clark, College Secretary (PC)	Nicola MacKenzie (Azets) (NM)
Gary Devlin (GD)	Stuart Thompson (ST)
Mark Drummond (MD)	
Paul Little (PL)	Ann Butcher (Minute)
<b>Apologies for absence</b>	
None	

<b>Item AAC3-1</b>	<b>Apologies for Absence</b>	
Paper No:	Lead: Convener	Action requested: Note
Decision/Noted	There were no apologies.	

<b>Item AAC3-2</b>	<b>Declarations of Interest</b>	
Paper No:	Lead: Convener	Action requested: Note
Decision/Noted	There were no declarations of interest.	

<b>Item AAC3-3</b>	<b>Items to be Discussed Privately with Auditors</b>	
Paper No:	Lead: Convener	Action requested: Note
Decision/Noted	A private meeting with External Auditors was held directly prior to the meeting, relating to the matter under discussion.	

<b>Item AAC3-4.1</b>	<b>External Audit (EA) Annual Report 2020-21</b>	
Paper No: AAC3-A	Lead: G Devlin	Action requested: Approve
Discussion	GM welcomed members to the reconvened meeting of the AAC. This meeting was scheduled to follow up on points of clarification and comments made at the AAC meeting held on 23 11 21. An updated	

External Audit Annual Report 2020-21 (with tracked changes) was previously circulated to Committee members.

GD reported that following the feedback received from Committee members, External Audit had further reviewed the audit evidence and judgements made previously in the November Report. Subsequent to this review, further acknowledgement has been provided on the progress made regarding recommendations raised through the independent reviews undertaken in response to the fraud (identified during 2019). This was in recognition of the extremely challenging impact of Covid-19 faced in particular by the finance team. The Financial Management judgement has now been re-graded from 'Amber' to 'Yellow'.

Findings in terms of Value for Money were also significantly reviewed; however based on all evidence received the 'Amber' rating was considered correct. GD noted that the College's Management Responses have been revised and improved. Members noted that College management had reflected on Management Responses and revisions were provided under 'Year End Timetable' and 'Performance Management Framework'.

PL advised that during an intervening meeting with External Audit, it had been highlighted that the change in format of the report, and colour coding systems, had been of concern to some, and in particular, how this would be viewed by the Auditor General. GD confirmed that the findings within the report would not unduly precipitate any Section 22 report. PL further considered that greater familiarity of the new reporting system, would have provided a better understanding of scoring and rationale of judgements made.

It was noted that work had been undertaken during 2020-21 to significantly revise the Strategic Plan and supporting Strategies, and streamlining of new Key Performance Indicators (KPIs) had not been fully developed during this time. It was also noted that work was in progress to improve and refine the process, and plans were in place to embed this within the appropriate reporting framework. Management also informed members that the Performance and Nominations Committee had oversight of KPI reportage.

GD further informed members that the External Audit recognised that there had been scope for confusion with regard to the new reporting system which had been adopted. Further reflection will be undertaken following Committee members' feedback.

Recognising External Audit's unqualified opinion, GM considered that it was now important to focus on the actions identified and agreed processes required for improvement. The proposed revisions presented within the External Audit Report were endorsed.

**Decision/Noted**

- That the revised External Audit Annual Report 2020-21 be endorsed.
- That the Annual Report and Financial Statements 2020-21 be approved.

Item AAC3-5		Any Other Notified Business	
Paper No: Verbal	Lead: Convener	Action requested:	
Decision/Noted	None.		

Item AAC3-6		Disclosability of Papers	
Paper No: Verbal	Lead: P Clark	Action requested: Note	
Decision/Noted	The disclosability status of the paper be retained.		

Item AAC3-7		Date of Next Meeting	
Paper No:	Lead:	Action requested: Note	
Decision/Noted	Wednesday 2 March 2022		

## ACTION POINTS ARISING FROM THE MEETING

Item	Description	Owner	Target Date
	None		

## ACTION POINTS ARISING FROM PREVIOUS MEETINGS

Item	Description	Owner	Target Date
AAC2-4.1 23 11 21	<b>Matters Arising:</b> Covid Impact and management Report to be submitted at next meeting.	JG	02 03 22
AAC2-5.1 23 11 21	<b>EA Annual Report:</b> Further discuss on 06 12 21.	ALL	06 12 21
AAC2-5.3 23 11 21	<b>Fraud Closure Report:</b> Update as agreed.	SL	ASAP
AAC2-5.4 23 11 21	<b>DPO Report:</b> Provide update report.	SL	25 05 22
AAC1-4.4 15 09 21	<b>Programme of Work:</b> Covid impact and management reports to be submitted at next meeting.	ST/ Performan ce	23 11 21 <b>Superseded</b>
AAC1-5.1 15 09 21	<b>Assurance Framework Review:</b> Provide update on progress of recruitment of Compliance Auditor.	SL	23 11 21 <b>Complete</b>
AAC1-5.2.3 15 09 21	<b>Follow Up Report:</b> Provide joint summary report (IA + Compliance Manager)	DA/ST/SL	02 03 22 <b>Superseded</b>
AAC1-5.2 15 09 21	<b>IA Progress Report:</b> Circulate completed Reports when available, in advance of the next meeting.	ST/DA	In advance of 23 11 21 <b>Complete</b>
AAC1-5.5 15 09 21	<b>Strategic Risk Review:</b> Provide update on potential impact of Brexit.	ST	23 11 21 <b>Complete</b>
AAC4-5.3 26 05 21	<b>Data Protection Update:</b> Provide DP training to Board members.	SL	ASAP
AAC4-5.4 26 05 21	<b>IT Effectiveness Report Update:</b> Provide Lessons Learned Report.	ST	ASAP
AAC4-5.5	<b>Finance Effectiveness Report Update:</b> Provide Lessons Learned Report	ST	ASAP