

Board of Management

Meeting of the Audit and Assurance Committee

MINUTE OF 2nd MEETING HELD ON WEDNESDAY 27 NOVEMBER 2024 AT 1300 HRS (AAC2)

Present	
Paul Hillard (Convener)	Amy Paterson
Manira Ahmad	Charandeep Singh
In attendance	
Karen Acheson	Drew McGowan
Andrew Dickson	Morgan O'Neill
Stuart Inglis (Henderson Loggie)	Scott Renton
Mark Laird (Audit Scotland)	Laura Shields
Paul Little	
Marie McFadden (Audit Scotland)	Ann Butcher
Apologies for absence	
David Archibald (Henderson Loggie)	Jack Green (Co-opted)

Item AAC2-1	Apologies for Absence	
Paper No: Verbal	Lead: Convener	Action requested: Note
Decision/Noted	Apologies were received from D Archibald, C Singh and J Green.	

Item AAC2-2	Declarations of Interest	
Paper No: Verbal	Lead: Convener	Action requested: Note
Decision/Noted	No declarations were made.	

Item AAC2-3	Items to be Discussed Privately with Auditors	
Paper No:	Lead: Convener	Action requested: Note
Decision/Noted	The Committee met briefly with Henderson Loggie and Audit Scotland, without attending officers present, to discuss internal and external audits at the College throughout the year.	

Item AAC2-4.1	Minute of the Meeting held on 3 September 2024	
Paper No:	Lead: Convener	Action requested: Approve

AAC2-A	
Decision/Noted	The Committee approved the minutes of the previous meeting.

Item 5.1 was taken.

Item AAC2-5.1	Deep Dive: Cyber Security	
Paper No: Verbal	Lead: S Renton	Action requested: Discuss
Discussion	<p>S Renton, Director of IT, joined the Committee to provide members with an overview of cyber security at the College. He highlighted the scale of cyber attacks, with 97% of higher education institutions identifying an attack or breach in the last year, and their increased sophistication with the use of social engineering and artificial intelligence.</p> <p>Members were informed that the UK's further and higher education sector is one of the most targeted for cybercriminals - and the cyber attack on Dundee & Angus College in 2020 demonstrated the impact that breaches can have.</p> <p>S Renton outlined the range of measures the College has in place to ensure our security, including anti-virus software, firewalls, world-class email security features with AI-powered detection for any threats, impossible travel rules and vulnerability scanning tools. The College also undertakes penetration testing and audits to review and improve effectiveness, facilitates training for staff and engages in several specialist networks and conferences.</p> <p>The Committee discussed the impact of the constraints on public finances and its implications for cyber security. S Renton explained that the College prioritises cyber security investment and, while increasing the levels of security, is cognisant of the wider challenges and the IT department therefore reviews specification and usage to ensure cost-efficiency as well as effectiveness.</p> <p>Members also raised the importance of engaging internally to address human behaviours and externally with partners too. S Renton said he recognised the risk of human behaviours and his team actively considered this, and also highlighted the Scottish Government's Cyber Security Framework that the College was adopting. The Committee also discussed the importance of the Board being aware of cyber security, noting that this is reported to the People & Culture Committee and on the Strategic Risk Register.</p> <p>P Hillard thanked S Renton for his presentation on behalf of the Committee.</p>	
Decision/Noted	To discuss the presentation.	

Item 5.2 was taken.

Item AAC2-5.2	Data Protection Officer Quarterly Report	
Paper No: AAC2-C	Lead: M O'Neill	Action requested: Discuss

<p>Discussion</p>	<p>M O'Neill, Data Protection Officer, joined the Committee to provide an update on the work being undertaken across the College to ensure data protection and manage compliance with our legal and regulatory obligations. She said that the College has robust policies, procedures and systems in place; however, she also highlighted the need for more regular engagement across the College to ensure people were aware of their responsibilities and continued to implement good practices in their areas.</p> <p>Members heard that an example of this engagement was the health checkup with faculties and directorates to evaluate their awareness and effectiveness of measures in place, as well as identify areas for improvement. M O'Neill informed the Committee that the findings, while not concerning, were valuable and she was working with staff to prioritise actions.</p> <p>The Committee discussed the level of awareness and understanding among staff regarding data protection, emphasising the importance of tailored training and support to meet the College's specific needs. Members also considered external challenges, with M Ahmad highlighting the potential impact of the ongoing public inquiry and possible changes to legislation and regulation.</p> <p>In response, M O'Neill acknowledged these challenges, emphasising that compliance with the Data Protection Act 2018 and General Data Protection Regulation (GDPR) requires a flexible, context-specific approach. She assured the Committee that the College would remain vigilant and adaptable to emerging regulatory developments.</p> <p>Members also explored the cultural impact on compliance, particularly the unintended consequence of siloed working driven by fear of data breaches or non-compliance. M O'Neill reassured the Committee that while the College is committed to maintaining compliance, it also prioritises fostering a safe and sensible approach to data management. She highlighted the importance of supporting innovative practices and collaboration across departments, ensuring compliance without stifling creativity or operational effectiveness.</p> <p>P Hillard thanked M O'Neill for her report.</p>
<p>Decision/Noted</p>	<p>To discuss the report.</p>

Item 4.2 was taken, and the Committee resumed with order of business as on the agenda.

Item AAC2-4.2	Internal Audit Annual Plan 2024-25	
<p>Paper No: AAC2-B</p>	<p>Lead: S Inglis</p>	<p>Action requested: Approve</p>
<p>Discussion</p>	<p>S Inglis presented the proposed Internal Audit Annual Plan for 2024-25, as prepared by Henderson Loggie and the Executive Leadership Team (ELT). P Little assured the Committee that ELT had considered this thoroughly and was content with the plan. After a discussion about planned audits and prioritisation, the Committee approved the plan.</p>	
<p>Decision/Noted</p>	<p>To approve the Internal Audit Annual Plan 2024-25.</p>	

Item AAC2-5.3	Register of Interest Status Report	
Paper No: Verbal	Lead: D McGowan	Action requested: Discuss
Discussion	D McGowan highlighted that this is a standing annual verbal report and confirmed that the annual review of the Register of Interests was completed at the beginning of the academic year.	
Decision/Noted	To note the verbal report.	

Item AAC2-5.4	Internal Audit Reports	
Item AAC2-5.4.1	Student Activity Data 2023-24	
Item AAC2-5.4.2	Student Support Funds 2023-24	
Paper No: AAC2-D	Lead: S Inglis	Action requested: Discuss
Discussion	Members agreed to take the two reports together. S Inglis presented the internal audit reports on student activity data and student support funds for the previous academic year. He highlighted that these reports, required to be submitted to the Scottish Funding Council (SFC) and the Student Awards Agency for Scotland (SAAS), included a clean opinion and no reservations.	
Decision/Noted	To discuss the reports.	

Item AAC2-5.5	Internal Audit Annual Report 2023-24	
Paper No: AAC2-F	Lead: S Inglis	Action requested: Discuss
Discussion	S Inglis presented the Internal Audit Annual Report for 2023-24, which summarises all internal audits undertaken in the previous academic year, for members' consideration. The Committee welcomed that no major internal control weaknesses were identified and the internal audit opinion that the College continues to have adequate and effective arrangements for risk management, control, governance and value for money in place.	
Decision/Noted	To discuss the report.	

Item AAC2-5.6	Internal Audit Overview	
Paper No: AAC2-G	Lead: K Acheson	Action requested: Discuss
Discussion	K Acheson provided an overview of the implementation of audit actions in the most recent quarter. Since circulating the paper, further progress has been made with 6 open actions and 1 overdue. She advised members that the overdue action should be completed by the end of February 2025. The Committee welcomed the progress made in implementing the audit actions since the previous meeting in September 2024. P Hillard also thanked K Acheson for her efforts in supporting colleagues across the College to complete the audit actions.	
Decision/Noted	To discuss the report and note progress to date.	

Item AAC2-5.7	External Audit Annual Report 2023-24	
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Paper No: AAC2-H	Lead: M Laird/M McFadden	Action requested: Discuss
Discussion	<p>M Laird presented the External Audit Annual Report for 2023-24 and summarised Audit Scotland's key findings. In addition to confirming that an unqualified opinion had been issued, he highlighted to members that the College has a clear vision and strategy and appropriate financial and governance arrangements in place.</p> <p>M McFadden explained the impact of job evaluation liability for the College and the sector, described as a technical accounting adjustment. She also informed members that there was substantial progress made by the College on prior year recommendations.</p> <p>The Committee welcomed the positive report from Audit Scotland and discussed the job evaluation liability and technical accounting adjustment, noting that a full discussion would also take place at the Joint Committee where the Annual Report and Accounts would be considered.</p>	
Decision/Noted	To discuss the report.	

Item AAC2-5.8	External Audit Letter of Representation	
Paper No: AAC2-I	Lead: M Laird/M McFadden	Action requested: Approve
Discussion	<p>M Laird provided an overview of the letter of representation. The Committee were content to approve the proposed letter of representation and noted that it would be tabled at the Board of Management meeting on 11 December 2024 for final approval and signed by the Principal & Chief Executive.</p>	
Decision/Noted	To approve the letter of representation.	

Item AAC2-5.9	Best Value Framework	
Paper No: AAC2-J	Lead: L Shields	Action requested: Discuss
Discussion	<p>L Shields tabled the Best Value Framework for the Committee's consideration, outlining that it was an outcome of the external audit in 2022-23. She confirmed that this framework be tabled annually for the consideration of members as the operational priorities change for 2024-25.</p>	
Decision/Noted	To discuss the report.	

Item AAC2-5.10	Strategic Risk Review	
Paper No: AAC2-K	Lead: D McGowan	Action requested: Discuss
Discussion	<p>D McGowan tabled the outcome of the recent quarterly review of the Strategic Risk Register and Management Action Plans (MAPs) for the Committee's consideration. He confirmed that there were no proposed changes to the scores of the 6 risks reported to the Committee. Members were content with the current risk scores.</p>	
Decision/Noted	To agree to recommend the risk scores to the Board for final approval.	

Item AAC2-6.1	Annual Report on SFC Financial Memorandum Delegated Limits & Expenditure	
Paper No: AAC2-L	Lead: A Dickson/L Shields	Action requested: Note
Decision/Noted	To note the report.	

Item AAC2-6.2	Staff Compensation Payments Report	
Paper No: AAC2-M	Lead: A Dickson	Action requested: Note
Decision/Noted	To note the report.	

Item AAC2-7	Any Other Notified Business	
Paper No: Verbal	Lead: Convenor	Action requested: Note
Decision/Noted	No other business was notified.	

Item AAC2-8	Review of Meeting	
Paper No: Verbal	Lead: D McGowan	Action requested: Note
Decision/Noted	P Hillard thanked members and staff for their attendance. The Committee agreed to highlight the internal and external annual audit report to the Board's attention in the Governance Report prepared by D McGowan.	

Item AAC2-9	Disclosability of Papers	
Paper No: Verbal	Lead: D McGowan	Action requested: Note
Decision/Noted	That the disclosability status of papers be retained.	

Item AAC2-10	Date of Next Meeting	
Paper No: Verbal	Lead: Convener	Action requested: Note
Decision/Noted	The next meeting will be held on 4 March 2025.	

The meeting closed at 1500 hours.

ACTION POINTS ARISING FROM THE MEETING

Item	Description	Owner	Target Date
	None		

ACTION POINTS ARISING FROM THE MEETING

Item	Description	Owner	Target Date
AAC1-4.2 03 09 24	Committee Annual Report: Consider associated risks under asset management and disposal at the next FC meeting.	DM	FC Mtg 11 09 24 Complete
AAC1-5.3 03 09 24	DP Officer Annual Report: Provide breakdown of SARs from external bodies.	SL	ASAP
AAC1-5.4 03 09 24	Data Breaches: Provide update on the outcome of recent severe breach in DP Officer report.	SL	AAC Mtg 27 11 24 Complete
AAC1-6 03 09 24	AONB, Deep Dive Topic: Review Cyber Security at next meeting. S Renton to be invited to attend.	DM/AD	AAC Mtg 27 11 24 Complete