

Board of Management

Meeting of the Audit and Assurance Committee

MINUTE OF THE 3rd MEETING HELD ON MONDAY 10 MARCH 2025 AT 1600 HRS (AAC3)

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

Item AAC3-1	Apologies for Absence	
Paper No: Verbal	Lead: Convener	Action requested: Note
Decision/Noted	Apologies were received from Stuart Inglis and Mark Laird.	

Item AAC3-2	Declarations of Interest	
Paper No: Verbal	Lead: Convener	Action requested: Note
Decision/Noted	No declarations were made.	

Item AAC3-3	Items to be Discussed Privately with Auditors	
Paper No: Verbal	Lead: Convener	Action requested: Note
Decision/Noted	None.	

Item AAC3-4.1	Minute of the Meeting held on 27 November 2024	
Paper No: AAC3-A	Lead: Convener	Action requested: Approve
Decision/Noted	The Committee approved the minutes of the previous meeting. All outstanding actions were considered complete.	

Item AAC3-4.2 Approval of Vice Convener		
Paper No: Verbal	Lead: Convener	Action requested: Approve
Decision/Noted	C Singh was nominated for the role of Vice Convener. The nomination was approved by the Committee.	

Item AAC3-5.1 Independent Review of Financial Memorandum Breach		
Paper No: AAC3-B	Lead: D Archibald	Action requested: Approve
Discussion	<p>P Little informed the Committee about a Financial Memorandum Breach regarding a voluntary severance settlement agreement that exceeded the required 24-month payback period. The Scottish Funding Council (SFC) had requested clarification, and it was confirmed that a miscalculation had occurred. As the payback period exceeded the 24-month limit, prior approval from the SFC should have been sought. As payment was made prior to approval, it represented a breach of the Financial Memorandum. P Little assured the Committee that a full investigation and Internal Audit (IA) had been undertaken to determine the cause. He accepted the IA report's recommendations and apologised to the Committee on behalf of the Executive Leadership Team (ELT).</p> <p>J Gribben also expressed his sincere apologies, advising that full transparency was provided to the Glasgow Colleges' Regional Board (GCRB) and the SFC. While the situation was unfortunate, retrospective approval for the breach will be sought. A Dickson also apologised and confirmed that all actions are now being addressed and will be completed by the end of March. D Archibald provided additional details on the investigation and recommendations designed to address the control weaknesses identified. Implementation will allow the College to provide assurances sought by the SFC to support a robust business case for retrospective approval for payment.</p> <p>C Singh acknowledged that the report demonstrated transparency. He recognised the challenges staff faced, including high workloads and pressure during a difficult period. He emphasised the need to ensure that staff in similar situations in the future receive appropriate support to help prevent errors.</p> <p>J Gribben noted that some recommendations would help reduce pressure and prevent future issues. He acknowledged the high-pressure nature when dealing with redundancies where tasks must be completed quickly. He emphasised the importance of clear roles and learning from experience to improve accuracy. P Little added that valuable lessons had been learned and it was unlikely that an issue of this scale would happen again. He stressed that openness and transparency remain the default approach. He thanked D Archibald for the report and assured the Committee that new procedures and documentation would ensure consistency and accuracy. He also recognised the HR team's efforts, noting that they had been under intense pressure, which was regrettable.</p> <p>P Hillard thanked ELT members for their openness. The Committee supported the release of the report to GCRB and noted that a request for retrospective approval would be sent to the SFC.</p>	

Decision/Noted	<p>To discuss the Independent Review of the Financial Breach.</p> <p>To agree the release of the report to GCRB.</p> <p>To note that a request for retrospective approval will be sent to SFC.</p>	
Item AAC3-5.2	Deep Dive: Counter Fraud	
Paper No: Verbal	Lead: D Archibald	Action requested: Discuss
Discussion	<p>D Archibald provided the Committee with an overview of common law fraud, a term used in most prosecutions in Scotland where individuals achieve a result through a range of false pretences. He highlighted recent data showing a steady increase in the number of citizens admitting to fraudulent conduct. He briefed the Committee on the motivations, rationalisations and opportunities behind fraud, along with different types of fraud. He also advised on the fraud reporting process to the Board and suggested measures for fraud detection, while noting that no system can fully prevent fraud. He also outlined steps that IA could provide to help reduce risks and deter fraudulent attempts.</p> <p>A Paterson asked about staff training as fraud becomes more complex and whether a gap analysis has been undertaken to identify issues within the College structure. P Little confirmed that after the College's fraud investigation, all policies and procedures were reviewed, and a financial controller was appointed. He assured the Committee that staff receive intensive training.</p> <p>L Shields provided an overview of the measures in place to prevent fraud. These include mandatory annual training and awareness, strict reconciliation and approval processes, which include segregation of duties to ensure no single individual controls all financial transactions. She also highlighted investments in technology and security. L Shields also assured that a culture of integrity is promoted, and staff are encouraged to report suspicious activities. The Committee noted that the College participates in the National Fraud Initiative (NFI) Programme every 2 years. The NFI public and private data matching exercise helps to prevent and detect fraud.</p> <p>P Hillard thanked for D Archibald and L Shields for their presentations and emphasised the importance of ongoing discussions on fraud. He appreciated the assurance provided on systems, processes and the College culture highlighting the need for staff to feel confident in reporting concerns to managers.</p> <p>M Ahmad asked whether institutions across the academic sector share best practices. A Dickson explained that monthly Finance Director meetings consider a range of topics, including sharing best practice. While there are no formal processes in place, IA ensure the College is aware of relevant developments. D Archibald also informed that Technical Bulletins issued by Audit Scotland highlight the prevalence of frauds which have been around for some time. The Counter Fraud section on the Audit Scotland website also highlighted the work on the National Fraud Initiative.</p> <p>P Hillard asked Committee members to suggest the the next deep dive topic for discussion at the next meeting and advise D McGowan.</p>	

Decision/Noted

To discuss counter fraud.
To consider the next deep dive topic.

M Ahmad left the meeting.

Item AAC3-5.3 Data Protection Officer Quarterly Report	
Paper No: AAC3-C	Lead: M O'Neill Action requested: Discuss
Discussion	<p>M O'Neill, Data Protection Officer, provided an overview of the current levels of data protection compliance.</p> <p>The Faculty and Directorate Health Check Questionnaires have now been returned and the exercise is complete. These have been reviewed and a summary of actions was provided in Appendix 2. While outstanding actions are in progress, the original deadline for completion has passed. Key actions being addressed include mandatory training completion rates; awareness raising of consent capture; updating privacy notices; third party data sharing; and responses to deletion of personal data questionnaires. M O'Neill assured the Committee that all outstanding actions are being actively followed up to maintain momentum and minimise delays. She also confirmed that staff are fully engaged in the process.</p> <p>P Hillard thanked M O'Neill for her report.</p>
Decision/Noted	To discuss the report.

M O'Neill left the meeting.

Item AAC3-5.4 Annual Freedom of Information Report 2023-24	
Paper No: AAC3-D	Lead: D McGowan Action requested: Discuss
Discussion	<p>D McGowan presented the Annual Freedom of Information Report 2023-24. The Committee noted that the College's compliant response rate increased by 2 percentage points to 99% along with a 15% increase in the number of requests received. The number of internal reviews decreased by 43% and no appeals were made to the Scottish Information Commissioner. A minor amendment was agreed.</p> <p>P Hillard acknowledged the increase in requests received and praised staff involved for meeting targets and deadlines. He asked that appreciation be passed on to all those involved.</p>
Decision/Noted	To discuss the Freedom of Information Report 2023-24.

Item AAC3-5.5 Review of Assurance Framework	
Paper No: AAC3-E	Lead: D McGowan Action requested: Discuss
Discussion	<p>D McGowan informed the Committee that he and K Acheson had developed the new sources of assurance within the assurance framework. Before submission to the Committee, the Principal and Convener were consulted. He provided further details on the Three Lines of Defence model adopted by the College, explaining that the sources of assurance table is</p>

	<p>mapped to the Strategic Plan and Risk Register. Assessment of each assurance category was discussed.</p> <p>D Archibald informed that Henderson Loggie has a tool designed to assess members' perceptions of levels of assurance, which can be tailored to relevant category headings. A survey will be distributed to gather members' feedback. The Committee agreed that this would be a valuable exercise, to be conducted by this Committee rather than the full Board. D Archibald will provide further information to D McGowan to progress this matter.</p>
Decision/Noted	That D Archibald will provide information on levels of assessment tool to D McGowan.

Item AAC3-5.6	Internal Audit Reports	
Item AAC3-5.6.1	External Communications and Marketing	
Paper No: AAC3-F	Lead: D Archibald	Action requested: Discuss
Discussion	<p>D Archibald presented the internal audit report on external communications and marketing. The Committee noted the summary of strengths, including the External Communications Guidelines document which outlines the approach staff should take when communicating with stakeholders and media partners. An Internal Communications Guidelines document is also in place. The report also highlighted the effective management of publicity.</p> <p>One opportunity for improvement identified was the lack of specific requirement in the Brand Identity Guidelines to obtain agreement from relevant partners to use branding prior to publication of marketing materials. This issue will be addressed and actioned by the end of March.</p>	
Decision/Noted	To discuss the report.	

Item AAC3-5.7	Internal Audit Progress Report	
Paper No: AAC3-G	Lead: D Archibald	Action requested: Discuss
Decision/Noted	To discuss the progress achieved.	

Item AAC3-5.8	Audit and Action Overview	
Paper No: AAC3-H	Lead: K Acheson	Action requested: Discuss
Discussion	<p>K Acheson provided an update on the implementation of audit actions. A full review of open actions relating to Internal and External Audit reports have been completed and ongoing tracking will ensure all actions are completed within agreed timeframes. One Internal Audit action from 2023-24 has an agreed revised completion date and the Policy required to complete the action is scheduled to go to the Senior Management Team (SMT) meeting next week.</p> <p>K Acheson also informed that a review of all awarding bodies has been conducted and will be included in future reports. The College works with 29 awarding bodies, 21 of which conduct audits/reviews. 13 open audit actions</p>	

	<p>were reported with 7 still within their original timeframe. Tracking will continue to ensure completion.</p> <p>A full review of open actions relating to the Business Continuity Exercise has been completed. Two open actions remain within the agreed completion date.</p> <p>Following the activation of the new Incident Management Plan in advance of Storm Eowyn, a post incident review resulted in 5 recommendations. 3 remain open but are still within the original timeframe. Update reports will be provided.</p> <p>The Committee welcomed the progress made and additional information provided.</p>
Decision/Noted	To discuss the report and note progress to date.

Item AAC3-5.9	Strategic Risk Review	
Paper No: AAC3-I	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. The following three changes to scores were proposed:</p> <ul style="list-style-type: none"> • SR9, failure to manage performance and achieve improved performance: following completion of the first cycle of reporting as part of the Tertiary Quality Enhancement Framework (TQEF) and submission of the Self-Evaluation and Action Plan (SEAP) the proposed risk score has reduced to 15 (red). • SR13, failure of compliance with Environmental social and Governance (ESG) duties: Due to resource issues the proposed risk score has increased to 10 (amber). • SR16, failure of business continuity: Due to the review and the launch of the new Incident Management Plan, the proposed risk score has reduced to 8 (amber). 	
Decision/Noted	To agree to recommend the risk scores to the Board for final approval.	

Item AAC3-6	Any Other Notified Business	
Paper No: Verbal	Lead: Convenor	Action requested: Note
Decision/Noted	<p>Joint Audit and Finance Committee – outstanding action</p> <p>D McGowan reported that a letter of concern was sent to the SFC in January. A response is still awaited and will be followed up.</p>	

Item AAC3-7	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 include feedback on the Financial Memorandum Breach, the	

	deep dive awareness raising on fraud and an update on the assurance framework in the Governance Report to the Board prepared by D McGowan.
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Item AAC3-8	Disclosability of Papers	
Paper No: Verbal	Lead: D McGowan	Action requested: Note
Decision/Noted	That the disclosability status of papers be retained.	

Item AAC3-9	Date of Next Meeting	
Paper No: Verbal	Lead: Convener	Action requested: Note
Decision/Noted	The next meeting will be held on 3 June 2025.	

The meeting closed at 1740 hours.

ACTION POINTS ARISING FROM THE MEETING

Item	Description	Owner	Target Date
AAC3-5.2 10 03 25	Deep Dive: Consider next topic for discussion and advise D McGowan.	ALL	Prior to 03 06 25
AAC3-5.5 10 03 25	Review of Assurance Framework: Provide information on levels of assessment tool.	DA/DM	Prior to 03 06 25

ACTION POINTS ARISING FROM THE MEETING

Item	Description	Owner	Target Date
AAC1-5.3 03 09 24	DP Officer Annual Report: Provide breakdown of SARs from external bodies.	SL	ASAP Complete