PAPER AAC1-A

# Board of Management

## Meeting of the Audit and Assurance Committee

### MINUTE OF THE 4th MEETING HELD ON TUESDAY 3 JUNE 2025 AT 1500 HRS (AAC4)

| Present | |
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| Paul Hillard (Convener) | Charandeep Singh |
| **In attendance** | |
| Jack Green (Co-opted) | Paul Little |
| Karen Acheson | Marie McFadden (Audit Scotland) |
| David Archibald (Henderson Loggie) | Drew McGowan |
| Andrew Dickson | Laura Shields |
| Jon Gray | |
| Mark Laird (Audit Scotland) | Ann Butcher |
| **Apologies for absence** | |
| Manira Ahmad | Amy Paterson |

P Hillard informed that item 5.3, Draft Audit and Assurance Self-Evaluation Report 2024-25 would be taken at the end of the meeting, with only Committee members present.

| Item AAC4-1 | Apologies for Absence | |
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| Paper No: Verbal | Lead: Convener | Action requested: Note |
| Decision/Noted | Apologies were received from M Ahmad and A Paterson. M O'Neill was not in attendance. | |

| Item AAC4-2 | Declarations of Interest | |
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| Paper No: Verbal | Lead: Convener | Action requested: Note |
| Decision/Noted | No declarations were made. | |

| Item AAC4-3 | Items to be Discussed Privately with Auditors | |
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| Paper No: Verbal | Lead: Convener | Action requested: Note |
| Decision/Noted | None. | |

| Item AAC4-4.1 | Minute of the Meeting held on 10 March 2025 | |
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| Paper No: AAC4-A | Lead: Convener | Action requested: Approve |

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| **Decision/Noted** | The Committee approved the minutes of the previous meeting. All outstanding actions were considered complete. |

| **Item AAC4-4.2** | **Committee Schedule of Business 2025-26** | |
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| **Paper No: AAC4-B** | Lead: D McGowan | Action requested: Approve |
| **Decision/Noted** | Subject to one minor amendment, the Committee Schedule of Business 2025-26 was approved.<br><br>The Committee noted that the Freedom of Information report would be brought forward to the first meeting in September, provided there are no internal reviews or appeals made by 31 July to the Scottish Information Commissioner. | |

*P Little entered the meeting during the following discussion.*

| **Item AAC4-5.1** | **Deep Dive – Global Internal Audit Standards in the UK Public Sector** | |
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| **Paper No: Verbal** | Lead: D Archibald | Action requested: Discuss |
| **Discussion** | D Archibald provided an overview on the Global Internal Audit Standards (GIAS) in the UK Public Sector. These Standards came into force in January for all internal audit functions. The Standards are organised around 5 key domains that set the framework for internal auditing. These are supported by 15 guiding principles, each with essential requirements to ensure an effective internal audit function.<br><br>Topical Requirements are part of the framework and must be followed when audit engagements cover identified topics such as cybersecurity and partnership working. These aim to improve the consistency and quality of internal audit work. An Application Note explains how the Standards should be applied within UK public bodies.<br><br>In addition, non-mandatory guidance is available, including Global Practice Guides (eg on assurance and advisory services, engagement planning, financial services and fraud) and Global Technology Audit Guides.<br><br>The Committee noted that the updated Standards provide greater emphasis on key areas such as independence and governance, strengthened ethical and professional requirements, more rigorous expectations around annual audit opinions, tighter quality assurance processes, and updated criteria for internal audit planning and reporting.<br><br>The introduction of the GIAS brings several important changes to the role and responsibilities of Audit Committees in the UK public sector. It sets clear expectations to champion the work of Internal Audit, facilitate access between Internal Audit and senior management and promote a culture of transparency and accountability to help ensure it remains effective.<br><br>The framework is built around 8 key principles which feed into the internal audit planning process and help identify what may be looked at during the year, including any in-year changes. The Committee noted that some of these principles are already being applied, while others are new and will require further consideration. | |

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| | C Singh thanked D Archibald for the clear breakdown and was pleased to hear that some principles are already in place. He noted the importance to understand what the College is not yet doing and to build on existing areas of best practice which are now mandatory. P Hillard suggested reviewing the 8 key principles to identify current practices, gaps and actions needed to move toward compliance. He also recommended that the Terms of Reference be updated accordingly.<br><br>J Green asked how the College ensures the internal audit team has the right skills and competencies to place reliance on their reports. D Archibald explained that peer-led reviews will cover this, and the topical requirements set out the necessary skills and experience. This will also be reflected in Internal Audit reports to provide assurance that the team is qualified. |
| **Decision/Noted** | It was agreed that a reconciliation of current practice against key changes would be undertaken, with recommendations for any necessary changes to processes.<br><br>To review the Committee Terms of Reference in line with these changes. |

| **Item AAC4-5.2** | **Review of Committee Terms of Reference** | |
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| **Paper No: AAC4-C** | Lead: D McGowan | Action requested: Discuss |
| **Discussion** | The Committee's current Terms of Reference were reviewed, and the following amendments were agreed:<br><br>• That the membership of the Committee includes a financially literate non-executive member.<br>• That point 2.15 be updated from 'Glasgow Colleges' Regional Board (GCRB)' to 'Scottish Funding Council (SFC)'. | |
| **Decision/Noted** | Subject to agreed amendments, the revised Terms of Reference was recommended for approval to the Board in June. | |

*Item 5.3 was deferred to the end of the meeting. J Gray entered the meeting during the following discussion.*

| **Item AAC4-5.4** | **External Audit Annual Plan 2024-25** | |
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| **Paper No: AAC4-E** | Lead: M Laird/M McFadden | Action requested: Discuss |
| **Discussion** | M McFadden provided a brief overview of the plan including details of the audit scope and responsibilities. The Committee noted the planning materiality has been set at 2% above the benchmark which is gross expenditure based on the audited 2023-24 financial statements. The performance materiality has been set at 65% of planning materiality and the reporting threshold of misstatements will be greater than £95k.<br><br>The significant risks of material misstatement to the financial statements were highlighted including fraud caused by management override of controls; estimation in the valuation of land and buildings and estimation in the valuation of pension asset/liability. | |

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| | The work being done around the wider scope and best value was also highlighted, noting that auditors are required to review the 'fairness and equality' characteristic at least once during appointment. It was confirmed that this would be carried out during the 2024-25 audit. M Laird confirmed that Policies and Procedures would be included as part of this review.<br><br>M McFadden advised that the audit timetable for production of the annual report and accounts would be updated in line with the agreed schedule of business. She also informed that the audit team will not rely on the work of internal audit; however, will review their reports and assess if there is any impact on the audit.<br><br>Members requested clarification on several points, which was provided, and expressed their satisfaction with the plan. |
| **Decision/Noted** | To discuss the External Audit Annual Plan 2024-25. |

| **Item AAC4-5.1** | **Annual External Compliance Report** | |
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| **Paper No: AAC4-F** | Lead: J Gray | Action requested: Discuss |
| **Discussion** | J Gray presented the positive summary of the status of all external audits. The Committee particularly noted the diversity of awarding bodies, and that the College successfully retained all accreditations.<br><br>J Gray reported that as part of the dissolution of the GCRB, the College is now accountable for maintaining its own outcome agreement with the SFC which will include quarterly review meetings. Positive feedback on the College Self-Evaluation Action Plan (SEAP) was received at the first meeting in April. The SEAP was also discussed at the inaugural meeting with the Quality Assurance Agency (QAA) where the quality of the report was praised.<br><br>The Committee also noted that the College successfully retained certification from the Maritime Coastguard Agency (MCA) with several examples of excellent practice highlighted, including the new simulation hub described as 'world class'.<br><br>College provision selected for external verification checks by the Scottish Qualifications Authority (SQA) passed successfully with High Satisfaction ratings. All degree level programmes in partnership with university awarding bodies also successfully met external examiner requirements. Faculties will continue to meet and maintain assessment decisions and any ongoing issues will be addressed as required.<br><br>C Singh praised the report and the continued accreditations, noting the importance of supporting staff talent to maintain these outcomes. J Gray acknowledged the work happening across all Faculties. He advised that the main challenge is protecting established practices which are based on procedural compliance. Staff are reminded of their responsibilities to meet all standards and follow core systems. Efforts to build staff awareness and understanding of these systems to ensure the integrity of assessments are ongoing. | |

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| | P Hillard commented that he was reassured by the number of green ratings and expressed his thanks to all staff involved. |
| **Decision/Noted** | To discuss the Annual External Compliance Report |

| **Item AAC4-5.6** | **Review of Policy and Procedure Register** | |
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| **Paper No: AAC4-G** | Lead: J Gray | Action requested: Discuss |
| **Discussion** | J Gray reported that in order to meet awarding bodies quality assurance standards and external audit requirements the College is required to maintain a Quality Management System (QMS), coordinating the collation of policies and procedures. Over the last 3 years, the College has increased the number of policies and procedures and ensured more have been kept up to date. The register summary was submitted, and the Committee noted that of the 113 policies and procedures, 18% are out of date and require review.<br><br>J Gray further reported that in some Directorates, maintaining policies and procedures remains a challenge and the Senior Management Team has escalated action to address those that remain out of date. It is anticipated that all will be reviewed (or will be actively reviewed) and in date by the end of the academic year. He stressed the need to be mindful of potential delays of those affected by national bargaining and trade union consultation.<br><br>P Hillard also recognised the challenges faced by the Human Resources directorate, noting recent structural and process issues and acknowledged the pressures on this area and the wider contextual factors involved. C Singh suggested it would be helpful to explain the reasons behind the delays and what has contributed to them within the report.<br><br>It was agreed that update reports would be provided through the Audit and Action Overview quarterly reports. | |
| **Decision/Noted** | To discuss the Review of the Policy and Procedure Register. | |

*J Gray left the meeting. As M O'Neill was not currently in attendance, item 5.7 was deferred until later in the meeting.*

| **Item AAC4-5.8** | **Incident Management and Business Continuity Progress Report** | |
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| **Paper No: AAC4-I** | Lead: D McGowan | Action requested: Discuss |
| **Discussion** | D McGowan provided an update on the recent business continuity exercise, facilitated by Ashton Resilience (AR).<br><br>Following the development and implementation of the new Incident Management Plan (IMP) and improved internal communications, including a new information video created by staff and students, an unannounced exercise took place during a scheduled Senior Management Team (SMT) meeting.<br><br>The scenario involved a burst water main close to Riverside Campus resulting in water entering College buildings and the Halls of Residence with power outages in the local area. A control room was used, providing | |

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| | real-time scenario injects and those involved received calls which were role-played by two students from the Faculty of Creative Industries.<br><br>Following the exercise, a debrief was held and feedback was provided after the session. All staff involved found it to be a valuable exercise that added meaningful insight. All exercise outcomes were achieved, and six recommendations were made and subsequently implemented, including updates to staff contact lists, a new external stakeholder section, clarification of communication protocols and confirmation of an annual testing cycle.<br><br>J Green raised a question about the use of WhatsApp, suggesting that more effective communication tools were available. D McGowan confirmed that this had been discussed by the SMT and, as it is a free, encrypted and widely used service, it was agreed to adopt it with the understanding that its use would be limited to sharing factual, non-personal information. He explained that WhatsApp is intended as a real-time communication aide to help coordinate the movement of people during an incident, with no decisions being made. J Green suggested that alternative services could help mitigate potential cyber risks and offer features such as checklists and secure reporting. D McGowan welcomed suggestions for alternative services for further consideration by the SMT. R Gardner added that an alternative platform was also being explored for staff communications with students.<br><br>P Hillard was pleased to see the involvement of students, considering it a good example of lateral thinking that positively contributed to work processes and student engagement. Combined with the earlier exercise in May, this exercise provided significant assurance around business continuity. The Committee also noted that SMT had agreed to continue with this approach next year, as part of an ongoing plan to monitor its effectiveness.<br><br>P Hillard requested that the Committee's thanks be passed on to the students involved. |
| **Decision/Noted** | To discuss the Incident Management and Business Continuity progress report. |

*In the absence of M O'Neill, R Gardner took item 5.7 at this time.*

| **Item AAC4-5.7** | **Data Protection Officer (DPO) Quarterly Report** | |
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| **Paper No: AAC4-H** | Lead: R Gardner | Action requested: Discuss |
| **Discussion** | R Gardner provided a brief update on the compliance framework activities for 2025. Faculties and directorates are currently undertaking a supplier management review supported by the DPO and Procurement. Contracts with suppliers and partners where personal data is shared will be identified and reviewed.<br><br>All policies and procedures are up to date, and work on data bases is ongoing to ensure information is held securely, in line with the clear desk procedure, the document, record retention policy and procedure and data breach procedure. | |

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| **Decision/Noted** | To discuss the report. |

| **Item AAC4-5.9** | **Review of Assurance Framework** | |
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| **Paper No: AAC4-J** | Lead: D McGowan | Action requested: Discuss |
| **Discussion** | D McGowan reported that, following the agreement at the March meeting, Henderson Loggie developed and deployed a diagnostic tool to assess members' perceived levels of assurance. The summary of the main findings and recommendations was submitted for review.<br><br>The Committee noted the collective average value of 85% across the 45 questions, indicating the Committee's high level of assurance. There were no red-rated/very low assurance areas; however, there were six questions rated as having neutral or low assurance.<br><br>Discussion followed regarding the neutral level of assurance rating, noting it indicated neither agreement nor disagreement. The Committee expressed some concern about whether this provided sufficient assurance in the relevant areas. D Archibald agreed to consider this further. .<br><br>A small number of areas were identified where assurance levels were lower. The Committee noted that the addition of several new committee members this year, and their exposure to other Board committees, may have influenced the scoring. The results had been shared with P Hillard and P Little, and no immediate actions were proposed at this stage, with the understanding that this would remain an ongoing exercise. It was agreed that the exercise would be extended to the full Board by the end of the 2025-26 academic year.<br><br>The Committee thanked Henderson Loggie for their support in carrying out a robust assessment. | |
| **Decision/Noted** | To discuss the Review of Assurance Framework.<br><br>To undertake a review of assurance with the full Board. | |

| **Item AAC4-5.10** | **Internal Audit Reports** | |
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| **Item AAC4-5.10.1** | **Student Admissions, Engagement and Management Information Systems** | |
| **Paper No: AAC4-K** | Lead: D Archibald | Action requested: Discuss |
| **Discussion** | D Archibald presented the internal audit report on student admissions, engagement and management information systems. A review of the adequacy and effectiveness of the processes and procedures for managing and controlling student recruitment and retention, covering the role of Student Support, Student Funding, Marketing, Student Records, and curriculum areas was undertaken.<br><br>The Committee noted that oversight of recruitment and admissions arrangements is robust, and curriculum and course performance data is readily available. | |

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| | Three priority 3 recommendations were identified including review of the Academic Guidance and Progress Procedure; development of guidance, procedures, and role definitions for student recruitment planning, and documentation of a Student Retention Strategy and Framework. These recommendations have been agreed and will be addressed. |
| **Decision/Noted** | To discuss the report. |

| **Item AAC4-5.10.2** | **Research and Innovation - Scottish Innovation & Knowledge Exchange (Scottish IKE)** | |
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| **Paper No: AAC4-L** | Lead: D Archibald | Action requested: Discuss |
| **Discussion** | D Archibald provided a brief overview of the internal audit report on Research and Innovation. An assessment of the College's arrangements for research and innovation, with a specific focus on the activities managed by Scottish IKE was conducted.<br><br>The Committee noted that delivery of the Scottish IKE strategy is tracked quarterly through the Innovation & STEM Directorate Operational Plan and Innovation Balanced Scorecard. Performance is also monitored through the Annual Portfolio Review, culminating in a range of activity and deliverables, including income generation activity.<br><br>Three priority 3 recommendations were identified including rebranding the team to "Scottish IKE Team"; creating a standalone risk register for the Scottish IKE Strategy and the Innovation & STEM Operational Plan; establishing clear success criteria for the Scottish IKE Strategy and defining specific KPIs.<br><br>K Acheson confirmed that the timeframe for rebranding completion was set to allow sufficient time for consultation on the rebranding. | |
| **Decision/Noted** | To discuss the report. | |

| **Item AAC4-5.10.3** | **Strategic Partnerships** | |
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| **Paper No: AAC4-M** | Lead: D Archibald | Action requested: Discuss |
| **Discussion** | D Archibald outlined key points of the internal audit report on Strategic Partnerships which involved a review the partnership working arrangements in place within the Business Development team and across faculties.<br><br>A wide range of partnerships are in place, with a significant volume of activity carried out to enhance staff knowledge and experience, as well as to support sustainable income generation. The College's strategic commitment to partnership working is also formally documented.<br><br>One Priority 3 recommendation was made that a clear plan and timeline for the roll out of the CRM 'Hubspot' be documented and progress monitored. This should be across all international partnership activities within the business development team and all Faculties. | |

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| | The Committee noted that a CRM Implementation Working Group is already in place and is overseeing the phased rollout of Hubspot. |
| **Decision/Noted** | To discuss the report. |

| **Item AAC4-5.11** | **Internal Audit Progress Report** | |
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| **Paper No: AAC4-N** | Lead: D Archibald | Action requested: Discuss |
| **Decision/Noted** | To discuss the progress achieved. | |

| **Item AAC4-5.12** | **Audit and Action Overview** | |
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| **Paper No: AAC4-O** | Lead: K Acheson | Action requested: Discuss |
| **Discussion** | K Acheson provided an update on the implementation of audit actions. A full review of all open actions relating to Internal Audit reports has been completed, with eleven actions currently open. External Audit report actions have also been completed, with two open actions from the 2023/24 Audit remaining. One is still within the original completion date and the other has a revised completion date agreed with the External Auditor due to a misunderstanding with the revised action requirements.<br><br>A full review of Awarding Body open actions has been completed with ten actions currently open. All Incident Management and Business Continuity actions have been completed.<br><br>Tracking of all actions will continue to ensure they are completed within the agreed timeframes. | |
| **Decision/Noted** | To discuss the report and note progress to date. | |

| **Item AAC4-13** | **Strategic Risk Review** | |
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| **Paper No: AAC4-P** | Lead: D McGowan | Action requested: Discuss |
| **Discussion** | 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. No changes to risk scores are proposed. | |
| **Decision/Noted** | To agree the Strategic Risk Register for risks reported to the Committee.<br>To note the associated Risk Management Action Plans. | |

*Item 5.3 was taken at this time. Only Committee members and the coopted member were in attendance, all other attendees left the meeting.*

| **Item AAC4-5.3** | **Draft Audit and Assurance Committee Self-Evaluation Report 2024-25** | |
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| **Paper No: AAC4-D** | Lead: D McGowan | Action requested: Discuss |
| **Discussion** | D McGowan reported that, following the recent annual self-evaluation of the Committee's effectiveness and the effectiveness of the College's internal controls, financial reporting and internal/external audit | |

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| | arrangements, a draft report had been prepared and was presented for review.<br><br>P Hillard considered the results to be overwhelmingly positive. He acknowledged the absence of negative responses but noted some uncertainty about whether an action plan for 2025-26 was needed, given the presence of a few 'Don't Know' answers. D McGowan agreed, but explained that this was not unexpected, as a few new members had only recently completed a full cycle of meetings and therefore might not yet be fully familiar with all aspects.<br><br>C Singh agreed that this was a strong report, noting the high number of 'yes' responses. He attributed this to the thorough induction provided for new members, which is a consistently positive feature helping members understand their responsibilities and align with the College's purpose. He also suggested that clear advice be provided for the 'Don't Know' responses, presented in a table and circulated to all members in the future.<br><br>Progress on last year's actions was noted, with all actions completed except one, which will be carried forward and progressed in the coming year. The agreed actions from 2024-25 included a reconciliation of current practices against key changes from the GIAS and the inclusion of a financially literate non-executive member on the Committee. |
| **Decision/Noted** | To discuss the report and agree actions for 2025-26. |

| **Item AAC4-6** | **Any Other Notified Business** | |
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| **Paper No:**<br>**Verbal** | Lead: Convenor | Action requested: Note |
| **Decision/Noted** | None. | |

| **Item AAC4-7** | **Review of Meeting** | |
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| **Paper No:**<br>**Verbal** | Lead: D McGowan | Action requested: Note |
| **Decision/Noted** | P Hillard thanked members and staff for their attendance. | |

| **Item AAC4-8** | **Disclosability of Papers** | |
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| **Paper No:**<br>**Verbal** | Lead: D McGowan | Action requested: Note |
| **Decision/Noted** | That the disclosability status of papers be retained. | |

| **Item AAC4-9** | **Date of Next Meeting** | |
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| **Paper No:**<br>**Verbal** | Lead: Convener | Action requested: Note |
| **Decision/Noted** | The next meeting will be held on Tuesday 2 September 2025. | |

*The meeting closed at 1720 hours.*

**ACTION POINTS ARISING FROM THE MEETING**

| Item | Description | Owner | Target Date |
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| **AAC4-5.1 10 03 25** | **Deep Dive:** Undertake reconciliation of current practice against key changes, with recommendations for any necessary changes to processes. | ADGR | AAC Mtg Nov 2025 |
| **AAC4-5.1 10 03 25** | **Deep Dive:** Review Committee Terms of Reference in line with these changes. | ADGR | AAC Mtg Nov 2025 |
| **AAC4-5.9 10 03 25** | **Review of Assurance Framework**: Undertake a review of assurance with the full Board. | ADGR | ASAP |

**ACTION POINTS ARISING FROM THE MEETING**

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