

| <b>Meeting:</b> Audit Committee      |                                      | <b>Venue:</b> Board Room  |                          | <b>Date:</b> Thursday 17 February 2022               |                    | <b>Time:</b> 11am - 1pm |  |
|--------------------------------------|--------------------------------------|---|--------------------------|--|--------------------|-------------------------|--|
| <b>Minute Taken By:</b> Pauline King |                                      | <b>Sederunt:</b> Gill Hogg (Chair), Roddy Henry, Joyce Clark, Pete Smith (MS Teams), Andy McGoff (MS Teams), Jan Polley, Ron Hill (observer. MS Teams).   |                          | <b>Apologies:</b> Jamie Davidson (Henderson Loggie), |                    | <b>Absences:</b>        |  |
| <b>FOR DECISION</b>                  |                                      |   |                          |  |                    |                         |  |
| No.                                  | Agenda Item                          | Action  | When                     | By Whom  | Status             |                         |  |
| 1.                                   | Apologies and Welcome                | Apologies were received from Jamie Davidson (Henderson Loggie), The chair welcomed Ron Hill as an observer as part of the Board Effectiveness Review.<br>The committee wished Jackie Kane a speedy recovery and thanked Pauline King for taking the minute.   |                          | Audit  | Information        |                         |  |
| <b>FOR DECISION</b>                  |                                      |   |                          |  |                    |                         |  |
| 2.                                   | Minute of Previous Meeting (Paper 1) | The minute of the meeting held on 16/11/2021 was approved as an accurate record.  |                          | Audit  | Complete           |                         |  |
| <b>FOR DISCUSSION</b>                |                                      |   |                          |  |                    |                         |  |
| 3.                                   | Matters Arising                      |   |                          |  |                    |                         |  |
|                                      | Update from Principal:               |   |                          |  |                    |                         |  |
|                                      | Trustees                             | The Principal has had several meetings with Trustees and attended a Trustees meeting. The draft Memorandum of Understanding is to be reviewed by Brodies.   | March 2022               | RH   | Ongoing            |                         |  |
|                                      | SFC                                  | The requested letter of comfort from the SFC to allow Henderson Loggie to confirm that the college is a going concern has been received. There are ongoing discussions with SFC regarding an advance on funding; original expectations of the timing for this were for March/April, though this may change.                   | April 2022               | RH   | Ongoing            |                         |  |
|                                      | Capital Funding 2020/21 and 2021/22  | Building Works are nearing conclusion with completion expected in March. Ongoing maintenance has been profiled over coming years to plan capital spending and investment in future.<br>The Digital Transformation Project completion is expected in March.<br>The following matters that are not on the agenda were discussed | March 2022<br>March 2022 | JC<br>JC   | Ongoing<br>Ongoing |                         |  |

|    |   |   |                             |                       |                            |
|----|---|---|-----------------------------|-----------------------|----------------------------|
|    |   | <ul style="list-style-type: none"> <li>Minutes to reflect due date on each item rather than date discussed.</li> <li>The issue of the requirement for a separate IT Project Risk Register Was discussed. As the project is now almost complete it is no longer necessary to produce a Project RR. However, it was agreed that future projects of this type would require a risk register from the outset.</li> <li>The Committee noted the handover between old (Ben Wood University of Edinburgh) and new (BDO) Internal Auditors.</li> <li>The Register of Audit Actions, agreed at the previous meeting was discussed. It was agreed that in addition to actions being reported to relevant committees, an overview register to track actions would be submitted to Audit committee reassurance that required actions have been addressed. This will be submitted to Audit Committee in May 2022.</li> </ul> | 17.2.22                     | Board Secretary<br>JC | Information<br>Ongoing     |
|    |   |   | May 2022                    | JC                    | Ongoing                    |
|    | <b>FOR DECISION</b>   |   |                             |                       |                            |
| 4. | Audit Report of the Audit Committee for the Year ended July 2021. (Paper 2) | The committee discussed the following points and agreed the report's onward transmission for the Board meeting on 31.3.22. Attendance for GA to be amended to 100% as this reflects the number meetings attended prior to resignation with future attendance to be described in numbers not percentages. Committee discussed the timing of the report in relation to the accounts, the financial year, the external audit and the short turn-round time. It was agreed future Annual Audit Reports will be submitted to the Board along with the Annual Accounts in November.   | 31.3.22                     | Audit                 | Complete                   |
|    | <b>FOR DISCUSSION</b>   |   |                             |                       |                            |
| 5. | Risk Register   | The Business and Resource Manager provided a verbal update on the highlights from the Risk Register and it was noted that despite reduced recruitment numbers overall this year the expectation is for improvement next year. The Committee discussed the timing of aligning Risk register to the new Strategic Plan and to arrange a session for the Board on Risk Appetite/Managing Strategic Risk  | Sept 2022<br><br>April 2022 | LA<br><br>JC          | Information<br><br>Ongoing |

|    |   |   |                           |                          |                        |
|----|---|---|---------------------------|--------------------------|------------------------|
|    |   | JC to circulate the Board Risk Appetite workshop proposal from the internal auditors for feedback from the committee.<br>JC to circulate current register to enable a revised version to be prepared for the May meeting. A McG agreed to share Napier University risk template.  | March 2022<br><br>12.5.22 | Committee<br><br>JC/AMcG | Ongoing                |
| 6. | IT Project Risk Register                | Noted under matters arising.  | 17.2.22                   | JC                       | Information            |
| 7. | Policy and Procedure Handbook (paper 3) | The Committee agreed to provide the B&R Manager with feedback on this operational document.   | March 22                  | Audit                    | Ongoing                |
| 8. | Internal Audit (BDO) update (paper4)    | The committee noted disappointment that BDO were not present to discuss their first internal audit.<br>The areas of good practice highlighted in the report were welcomed.<br>With regard to the 3 'Amber' issues:<br>The committee expressed surprise that the lack of a sector 'gap' analysis was rated as an amber issue.<br>The committee noted that the minutes of the H&S committee were reported to each Board meeting as a matter for discussion. It was agreed that an annual H&S Report to the Board was good practice and should be adopted, they did not see evidence to support the finding that "There is a risk that the Board will not be fully informed of Health and Safety risk issues within the college".<br>The B&R Manager reported that a new H&S external contractor has been appointed which will address the H&S Gap analysis and provide enhanced support.<br>The committee recommended the report is shared at the next Health and Safety Committee meeting.<br>The Committee agreed that The Principal, B&R Manager and Audit Chair will meet BDO for more detailed discussions around the issues raised in the report and a visit to the College.<br>The committee endorsed the Management recommendations to be submitted to the Board meeting on 31/3/2022 | March 22<br><br>12.5.22   | JC<br><br>JC             | Ongoing<br><br>Ongoing |

|                        |                      |  |         |       |         |
|------------------------|----------------------|--|---------|-------|---------|
|                        |                      | <p>It was agreed in future the scope of the internal audit would be approved, in writing, by the audit committee. The timetable for the annual internal audit will be:</p> <ul style="list-style-type: none"> <li>• Topic discussed and agreed at May Audit committee</li> <li>• Full scope agreed at November Audit committee meeting</li> <li>• Audit undertaken and reported to the February Audit meeting (with management responses)</li> <li>• Report sent to March Board meeting .</li> </ul> |         |       |         |
| <b>FOR INFORMATION</b> |                      |  |         |       |         |
| 9                      | AOCB                 |  |         |       |         |
| 10.                    | Date of Next Meeting | Date of next meeting Thursday 12 <sup>th</sup> May, 11- 1pm.   | 12.5.22 | GH/JC | Ongoing |