

**South Lanarkshire College Audit Committee (Board of Management)  
Held on 17<sup>th</sup> November 2021**

**Present** P Hutchison (Interim Chair)  
F Whitaker

**In Attendance** Keith McAllister  
A Kerr  
A Mckechnie  
S McManus  
H Anderson  
B Keegan (Clerk)  
S Graham (Mazars)  
A O'Donnell (Azets)

**Apologies** Declan Hogan  
Craig McLaughlin

**2. Declarations of Members' Interests**

A McKechnie A Kerr RSB Board Members: A Kerr SFC Board Member

**3. Minutes**

Minutes of 10<sup>th</sup> May accepted as a true record  
Minutes of Special Meeting of 1<sup>st</sup> July accepted as a true record but not for publication

**4. Matters Arising**

Matters arising dealt with under succeeding items

**5. Head of Finance Report**

Keith McAllister, in asking the Committee to note the work undertaken by the internal audit service provider and the management responses to recommendations, advised that the internal reports had a low number of recommendations, with none being ranked as high. However, the May Azets review contained 16 recommendations which had been presented to a Special Meeting of the Committee in July along with management responses – all of which had been approved. An Action Plan had been prepared and work was in hand to implement that Plan. Already, for example the main Risk register had been reshaped so as to be strategic in nature with operational risk registers being taken forward by individual departments and faculties.

He asked the Committee to approve the appointment of the new internal audit service providers and this was duly approved.

## 6. Internal Audit

Andrew O'Donnell spoke to the 6 internal audit headings as follows:-

1. Student Experience – where the key findings were indicative of good practice except only that a SMART action plan should be developed to close the feedback loop following the annual ICQ but where there was found to be only a Low Residual Risk to Learning and Teaching. Action was understood to be in train to address this.
2. Curriculum Planning – where the key findings again were broadly indicative of good practice but where processes and procedures could be improved by reference to an improved Management Action Plan focused on internal learning.
3. Follow Up Report – evidences a lot of good work in that four Actions had already been completed, four were partially complete and one – relating to the student experience - was not yet due
4. Annual Report – demonstrates that in all but one case the outcomes generally conform to good practice. The one exception relates to Co-ordination & Reliance where a robust methodology for assurance mapping is being developed to address perceived weaknesses which resulted in a rating of only Partial Conformity. In total there were 7 recommendations for improvement mainly concerned with refresher training but with no major areas of concern.
5. Action Plan Review – this is clearly work in hand and a detailed analysis shows progress, generally across the board, but progress has been slow in some areas leading to concerns as to timeline.
6. Review Report – this Confidential Report was discussed. It would not be appropriate to comment in detail until a forensic investigation had been completed but it would be fair to point out that in several instances there is no relevant supporting information and in other instances investigations are ongoing.

The Committee considered in detail the relevant papers placed before them. Paul Hutchison commented however that we should not lose sight of the fact that SLC is a long established and consistently high performing college which was more than prepared to learn from a thorough internal investigation. He also stressed that there was an ongoing independent forensic investigation but the committee should not lose sight of the positives which were that, whatever shortcomings there might prove to be there was also evidence of good practice in many areas. Andy Kerr made the point that key to all of this was the need to follow the Action Plan through.

The Committee noted however that timescales for implementation were being met and that the Action Tracker clearly identifies ownership of responsibilities, deadlines for implement and timescales. The Committee would however require to be updated on a regular basis.

## **Item 7 College Internal Audit**

The Committee considered the Quality Audit Group Report – the EMA ‘Spot Check’ 2<sup>nd</sup> Audit.

There were no previous actions/recommendations during the first audit.

The Committee noted that :-

- The Rationale followed the SFC published Guidelines. A student centred focus was ensured by sampling 12 student applications out of 233 across the Faculties using evidence from the EMA applications log. The Bursary Team had also made available the Electronic Bursary Application System.
- The audit had drilled into the detail of the 12 applications and the bursary team had been able to answer all observations fully and satisfactorily.
- No actions or recommendations for improvement were identified and the Report therefore was entirely satisfactory

## **Item 8 Audit Recommendations Monitor**

The Committee then went on to consider in detail the Schedule of Outstanding Audit Recommendations and noted, in summary, that the status of the following recommendations are now Partially Complete :-

- The current, operational centred, Risk Register is being replaced with a more strategic model with all areas incorporating a risk register in their Business Plans, membership of the Risk Management group being revisited and a training programme commenced
- The review of the Expenses Procedural Manual is under way
- The analysis of stakeholders and key groups will be addressed yearly by way of a Strategic Planning Session and a framework document concerning the period 2020 - 2025 has already been published
- The review of Purchasing procedures is under way, the PECOS online procurement system is operational and revised financial thresholds will be considered at the appropriate Finance and Resources Committee

The following recommendations are not yet due but are in train :-

- Action Plans arising from the ICQ
- Guidance on development and approval of curriculum plans
- A new Estates Strategy
- Update of curriculum Planning Online Resource

The following actions have been completed;-

- Upgrade of curriculum planning tool
- Curriculum Planning Documentation

## **9. External Audit Progress report**

S. Graham reported on progress with the external Audit and the Committee noted that buildings had doubled in value and that this would impact on depreciation values in the Management Accounts and Financial Statements in the next financial year.

In broad terms, although there were outstanding issues to be addressed – such as the Governance Statement and remuneration – the audit was substantially complete and no difficulty was anticipated in providing an unqualified opinion.

The College, in common with all publicly funded bodies will have to take on board the implications of the National Fraud Initiative which mean that external auditors will continue to have a role in ensuring a data flow designed to identify fraudulent activity but this has been a matter of routine since 2015.

It seemed likely, given the impact of ongoing investigations that SFC might have to be asked for an extension beyond the normal deadline of 31<sup>st</sup> December but it was more important to get the Report right than filed on time and SFC would understand this.

## **10. Risk Management**

The Committee went on to consider the College Risk Register as at 9<sup>th</sup> November 2021 and noted that monitoring was carried out on a regular basis.

The residual risk levels were broadly acceptable and in the main indicated a low appetite for risk but sometimes this is dictated by SFC funding criteria.

Aileen McKechnie assured the Committee that the executive was well aware of the need for ongoing forward planning and mitigation of risk.

## **11. Audit Scotland Technical Bulletin**

The Committee considered the terms of the Bulletin 2021/2 and specifically an extract from April – June 2021 which was clearly of interest to college staff in forward planning .

The risk culture has clearly moved with emphasis on concern with issues such as cyber security

***There being no other competent business the meeting was declared closed.***

***The next meeting would be in accordance with the agreed Board Timetable***