

DRAFT



AUDIT & RISK COMMITTEE

Minutes
Audit & Risk Committee on 9 th May 2022 at 08.00 in the Boardroom and via Microsoft Teams.
Present Craig McLaughlin (Committee Chair) A Doherty F Whittaker (via Teams) Apologies D Hogan In attendance P Hutchison (Chairing Member) D Archibald Y Finlayson (NCL) S Inglis (Henderson Loggie) K McAllister K McManus L Mitchell L Nutley (Mazars) P Scott (Clerk) A Sherry (Acting Principal)

AGENDA	
Agenda Item	
25-22	Declaration of Members' Interest None received
26-22	Previous Minutes Due to technical error the Minutes had not been properly circulated but would be circulated to members later for approval
27-22	Matters Arising Any matter from previous meetings requiring comment would be covered

	in subsequent items
	Matters for Decision
28-22	<p>Policy Documents</p> <p>After full discussion the Committee duly approved the following Policies , all as detailed in the submitted papers and which are referred to for their terms</p> <p>Gifts & Hospitality – being an update of an existing Policy Anti-Bribery – Ditto Free issues and Donated Goods – a new policy</p> <p>The Acting Clerk advised that he had drafted a new Model of Conduct for Board Members in terms of the new template issued by the Standards Office and which would be placed before the Board for approval at the earliest opportunity. He would see nothing to prevent Board Members from being bound both by the Governance Codes and the College Policies The Committee noted that as Policies are renewed and refreshed, a part of an ongoing overall review, the Unions will be consulted in terms of the Staff Governance Standard wherever appropriate</p>
29-22	<p>Draft Annual Report of the Audit Committee</p> <p>The Committee considered the draft Annual Report and noted that this was reflective of events over the relevant year. Subject to minor adjustments in the interests of clarity, the draft Report was duly approved</p>
	Matters for Discussion
30-22	<p>Draft External Audit Plan (Mazars)</p> <p>The draft external Audit Plan as presented was carefully considered by the Committee.</p> <p>It was noted that several of the risks were potential rather than actual risks and had been identified in accordance with standard audit practice as presumed risks.</p> <p>Given however that the Auditors were concerned lest the redacted SFC report might conceal undisclosed areas requiring improvement, the Acting Principal sought an assurance that the auditors would take immediate steps to contact SFC and seek confirmation that there are no matters within the redacted sections which might impact on the Governance Improvement Plan or require to be incorporated therein. He reminded them that he had already requested that they do so on 27th February and it was matter of concern that this had not been done .</p> <p>The Acting Clerk reminded the Committee that his own Report to be considered later contained a specific identification of the apparent nature of the redactions.</p> <p>It was also confirmed, on a point of information that the College manages</p>

	Credits in line with SFC requirements
31-22	<p>Audit Scotland - Section 22 Report</p> <p>The Committee noted the terms of the Section 22 Report and expressed considerable concern that the matters raised related to a period outwith the accounting period covered by the 2020/2021 Audit.</p> <p>This would suggest that these same matters will also be identified in the audit for 2021/2022 .</p> <p>The Acting Principal pointed out that considerable progress had been made with the Governance Improvement Plan and it was clear that much has changed and much has been improved.</p> <p>An updated Governance Improvement Plan would be presented to the Board at the earliest opportunity.</p>
32-22	<p>Internal Audit Plan (Henderson Loggie)</p> <p>The Plan as presented was the final version as agreed with members of the Audit & Risk Committee. There would always be flexibility however to reflect any changes in circumstances</p> <p>The Committee duly approved the Plan</p>
33-22	<p>Azets Report – Progress with Recommendations</p> <p>Good progress had been made with responses to this report.</p> <p>The Committee noted, for example , that HR Policies would be presented for discussion that the next HR Committee</p> <p>The Acting Clerk reminded the Committee that the Report was clearly stated to be confidential by Azets and was also exempt from publication in terms of the Freedom of Information Act</p>
34-22	<p>Audit Recommendation Tracker</p> <p>The Committee received and noted the most up to date Tracker Spreadsheet</p>
35-22	Strategic Risk Register - SLC
	Matters for Information
36-22	<p>Audit Scotland Bulletins 2021/4 and 2022/1</p> <p>These were duly noted as already being in the public domain</p>
37-22	Strategic Risk Register – Lanarkshire Region

	<p>The Committee noted and approved the strategic risk analysis and noted the terms of the Regional Strategic Risk Register .</p> <p>The Committee urged all concerned to keep abreast of Cyber-security developments as this presented a very considerable risk to the sector as a whole .</p> <p>Employee Relations and Employee Retention were factors requiring inclusion in the College’s own Risk Register</p> <p>It was important however to work with the RSB to ensure a commonality of approach</p>
38-22	<p>Annual Procurement Report</p> <p>The Committee received and noted the Procurement Report – the relevant data would be published in the Annual accounts</p>
39-22	<p>Summation of Actions and Date of Next Meeting</p>
	<ol style="list-style-type: none"> 1. Clerk to ensure that all Committee Approvals be presented at the next Board Meeting for endorsement and ratification by the Board 2. The College should add to their strategic risk register concerns with regard to both employee relations and employee retention in the light of Union action on pay and conditions and any subsequent impact on college the finances available to the college in an already difficult economy
	<p>Any Other Business</p>
40-22	<p>Governance Update</p> <p>The Acting Clerk presented a Report outlining his concerns that the Audit report was, in his professional view, inaccurate and incomplete in that in some instances there were unfounded allegations of Governance breaches and in other instances a failure to identify mitigating factors . In the matter of the Azets report, there was no evidence sufficient to bring civil or criminal proceedings. While there may well have been historic breaches of the law , there is absolutely nothing to suggest any ongoing impropriety . Azets indicated that they wished time to consider and respond to the Report.</p> <p>The Committee indicated that they would prefer not to publish the Report until such time as it could be considered by the full Board but noted that the Clerk had no objection to his report entering the public domain .</p>

