

# SOUTH LANARKSHIRE COLLEGE

**AUDIT COMMITTEE MEETING**  
**Monday 17 February 2020**

## **HEAD OF FINANCE REPORT**

### **1. Purpose & Introduction**

To inform the members of the Audit Committee of developments in the area of audit and finance.

### **2. Executive Summary**

#### **2.1. Internal Audit**

The Internal Audit providers, **Azets**, will be in attendance re the following items:

- **Internal Audit Reports**
  - **Expenditures and Payables**  
Attached as **Appendix 1** is the report on the internal audit review of the College's Expendables and Payables procedures.
  - **Progress Report**  
Attached as **Appendix 2** is an update on work carried out by the internal audit providers to date.

**Committee to review, note the number and level of recommendations made, and approve the management responses as being appropriate.**

#### **2.2. Risk Management**

Attached as **Appendices 3A, 3B and 3C** are the College summary and detailed Risk Registers as at 3<sup>rd</sup> February 2021, plus the commentary thereon. Also attached, for information, as **Appendix 4**, is the most recent Strategic Regional Risk Register prepared for The Lanarkshire Board. It was agreed at the recent meeting of the Risk Management Group that the format of the Risk Register would be reviewed.

**Committee to review the SLC's Risk Register and to recommend to the Board of Management; Committee to note the Regional Risk Register.**

#### **2.3. External Audit for the year 2019/20 – Lanarkshire Region**

Attached for reference as **Appendix 5** is the report of the external auditors on the 2019/20 published consolidated Regional Financial Statements. Also attached, as **Appendix 6**, is the report commissioned by the RSB from NCL's internal audit providers on funding received by the Region in 2019/20

**Committee to note the reports.**

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### **Executive Summary (continued)**

#### **Executive Summary (continued)**

#### **2.4. Other Audits**

##### **College Quality Audit Group – EMA Spot Check**

The College's Quality Audit Group undertakes a range of reviews throughout the year, concentrating on academic courses, but it also reviews non-academic areas such as the College's EMA provision. Attached as **Appendix 7** is the Group's first "spot check" audit on the College's EMA provision. The College is required by the Scottish Funding Council to undertake two such spot check audits during the year. The Committee should note that there were no actions for improvement or any actions carried forward from previous audits.

##### **British Computer Society – Compliance Audit**

BCS audit the procedures in relation to examinations undertaken by students at the College for Society qualifications. This was undertaken in November 2020. There was an issue with one examination, but all procedural and compliance testing was successful

**Committee to note the audits and the results.**

#### **2.5. Audit Scotland Technical Bulletin 2020 / 4**

Attached for information as **Appendix 9** is an extract from the most recent Bulletin. Papers include the cross-sectoral chapters as these contain notes on developments which may be useful for the Committee. There is no specific section on Further Education in this Bulletin.

**Committee to note the contents of the Bulletin including the notes pertinent to the variations in approach required as a result of the COVID 19 situation.**

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### **Executive Summary (continued)**

#### **2.6. Contract for Internal Audit Services**

The College should be putting the Internal Audit Service (IAS) contract out to tender for the year commencing 1<sup>st</sup> August 2021. The Committee is first asked if it wishes to do this, or to consider whether an additional year should be added to the current contract. This has already been extended by one year.

Should it be decided that the contract is to be retendered, this is an exercise that would be carried out via the College's Supply Chain Manager, with arrangements being approved by the Committee beforehand.

Attached as **Appendix 10** is the Invitation to Tender (ITT) document prepared for the last tender exercise and which will form the basis of this year's tender. A couple of changes have been added but the document will be fully reviewed by the Supply Chain Manager to ensure that it is compliant with current guidance.

Committee to consider in particular:

- Length of the contract (currently 3 years plus possible extension of 2 year) – see **Introduction**
- Required level of service (currently 25 days) – see **Introduction**
- Weightings in the assessment matrix (see **s.22**)

**Committee to consider whether it wishes the service to go to tender this year and the extent of the coverage it wishes the IAS to be responsible for in terms of days.**

#### **2.7. Remit of the Committee**

In line with the process of review during this cycle of Board of Management Committee meetings, the Audit and Risk Committee is asked to consider a draft Remit which has been prepared for its consideration, revision where appropriate, and submission to the Board.

Attached as **Appendix 12** is the existing Remit with the main changes highlighted. **Appendix 11** is the proposed draft for consideration by the Committee.

**Committee to review the draft Remit with a view to submitting an updated version to the Board for approval.**

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### **Executive Summary (continued)**

#### **2.8. Draft Audit Evaluation**

The College is periodically asked to evaluate the work of the external audit provider by either Audit Scotland or Scottish Funding Council, but this has not been mandatory each year. As good practice, the College will be undertaking a review of both internal and external audit provision via the Audit Committee.

Audit Scotland's independent Audit Quality and Appointments team have now commissioned an agency to gather data from FE colleges on the external audit provision for year end 2019/20. This has been completed by College staff and will be submitted following agreement with the Chair of the Committee. A copy of the questions is attached as **Appendix 13**.

**Committee to review the draft audit evaluation template for discussion at the meeting.**