



For the future you want

## **AUDIT & RISK ASSURANCE COMMITTEE**

### **MINUTES OF MEETING OF 23 FEBRUARY 2022**

#### **15:00, Remotely via Microsoft Teams**

**Present:** Stewart Darling; Ian Doig; Lesley Drummond; Janyce Holmes; Nigel Paul (Chair); Fiona Riddoch

**In attendance:** Nick Croft; Audrey Cumberford; Mike Jeffrey; Stuart Nugent (Audit Scotland); Claire Robertson (BDO); Lindsay Towns; Marcus Walker (Clerk); Alan Williamson

**Observers:** Kerry McCormack

## **1 WELCOME AND APOLOGIES**

- 1.1 No apologies were received.
- 1.2 The Chair welcomed Stewart Darling, a Non-Executive Board Member, to the Audit & Risk Assurance Committee as a Member, following his appointment to the Board of Management on 15 December 2021.
- 1.3 The Chair welcomed Kerry McCormack, a Non-Executive Board Member, to the Audit & Risk Assurance Committee as an observer, following her appointment to the Board of Management on 15 December 2021.
- 1.4 The Committee NOTED that Ross Laird, a former member of the Audit & Risk Assurance Committee, had joined the Board's Learning, Teaching & Student Experience Committee. The Chair, on behalf of the Committee, thanked the former member for his contribution to the Committee over the past two years.
- 1.5 The Committee NOTED that the External Audit Lead, Ursula Lodge, would be leaving Audit Scotland and was to be replaced by Stuart Nugent. The Chair welcomed Mr Nugent and, on behalf of the Committee, thanked Ms Lodge for her involvement with the Audit & Risk Assurance Committee.

## **2 DECLARATIONS OF INTEREST**

- 2.1 No declarations of interests were received.

### **3 MINUTES OF PREVIOUS MEETING**

- 3.1 The Committee APPROVED the minutes from 24 November 2021 as an accurate record of the meeting.

### **4 MATTERS ARISING**

#### **4.1 MATTERS ARISING REPORT**

- 4.1.1 The Committee NOTED that actions from the previous meeting were complete, overtaken or on the agenda, with the exception of the following:

4.1.2 *Education Scotland Visit Report (Minute 5.6.3/26.05.21 refers)*

The Committee NOTED that the Learning, Teaching & Student Experience Committee would review an Education Scotland Visit Report on 4 March 2022. The Chief Operating Officer advised the Committee that, once the Report had been considered, it would be discussed with the Internal Auditors to avoid any overlap with future internal audit reports.

4.1.3 *Risk Management: Workforce Planning (Minute 6.1.5/24.11.21 refers)*

The Committee NOTED that recent workforce planning arrangements relating to the restructuring of Curriculum Manager and Curriculum Leader roles had progressed according to plan, with all those involved in the process content with the outcome.

4.1.4 *Penetration Testing (Minute 6.2.3/24.11.21 refers)*

The Committee AGREED that, to allow members to continue to review performance at regular intervals, the Chief Operating would undertake a penetration test on an annual basis.

#### **4.2 BUSINESS COMMITTEES OF THE BOARD UPDATES**

- 4.2.1 The Committee NOTED verbal updates from members of each of the business committees of the Board on key matters considered during the most recent Board cycle.

#### **4.3 BOARD DEVELOPMENT SESSION 09.02.22: RISK MANAGEMENT AND CYBER-RESILIENCE**

- 4.3.1 The Committee NOTED that the Board had held a development session on Risk Management and Cyber-Resilience on 9 February 2022. The Chair advised the Committee that regular training was essential to ensure that all members understood risk management arrangements and the governance responsibilities of both the Board and the Audit & Risk Assurance Committee.

## **5 INTERNAL AUDIT REPORTS**

### **5.1 SUMMARY OF INTERNAL AUDIT RECOMMENDATIONS**

5.1.1 The Committee NOTED a report on progress against internal audit recommendations previously reported to the Audit & Risk Assurance Committee in 2014/15, 2018/19, 2020/21 and 2021/22.

5.1.2 The Committee NOTED that the report included 24 outstanding actions listed which were all expected to be completed by 30 June 2022. The Chair, on behalf of the Committee, welcomed the progress made towards the completion of new and longstanding actions.

### **5.2 INTERNAL AUDIT REPORT: IT SERVICES**

5.1.1 The Committee NOTED that internal audit had conducted an effectiveness review of the College's IT services during the Covid-19 Pandemic. The Internal Auditor advised the Committee that the audit provided 'moderate' assurance over the design and effectiveness of controls in place around the operation of IT services.

5.1.2 The Committee DISCUSSED a recommendation relating to the use of personal devices on the College network and its potential implications for viruses and security breaches. The Chief Operating Officer advised the Committee that the Executive partially agreed with the recommendation but recognised that there was a trade-off between security and usability. Further to this, the Committee NOTED that the Senior Management Team would consider the advantages and disadvantages of introducing further controls on personal device usage.

### **5.3 INTERNAL AUDIT REPORT: DEVELOPMENT & DELIVERY OF DIGITAL LEARNING**

5.3.1 The Committee NOTED that internal audit had carried out a review of the arrangements in place around the development and delivery of blended learning at the College. The Internal Auditor advised the Committee that the audit provided 'substantial' assurance over the design and operational effectiveness of controls in place relating to the development and delivery of digital learning at the College.

5.3.2 The Committee welcomed the positive report and DISCUSSED the substantial assurance received. Members AGREED that the internal audit report should be presented to the Learning, Teaching & Student Experience Committee, for information.

## **6. RISK ASSURANCE REPORT**

### ***Gordon Hope, Digital Infrastructure Service Lead, joins the meeting***

#### **6.1 RISK MANAGEMENT UPDATE**

6.1.1 The Committee NOTED a risk management update as provided by the Director of Communications, Policy & Research, which highlighted progress

in relation to risk management and reporting since the last meeting of the Committee on 24 November 2021.

- 6.1.2 The Committee NOTED that the Risk Management and Assurance Group (RMAG) had agreed to embed the Covid-19 Risk Register in a wider public health risk that covered seasonal viruses (flu etc.) and other vaccination programmes. The Director of Communications, Policy & Research advised the Committee that this development followed the relaxation of government guidance around Covid-19 and the continued management of risk mitigation by the College.
- 6.1.3 The Committee NOTED a revised Critical Incident Management (CIM) Policy and Procedure. The Director of Communications, Policy & Research advised the Committee that the CIM Policy and Procedure had undergone its yearly review by the Senior Management Team for content details and process accuracy.
- 6.1.4 The Committee DISCUSSED the testing of the CIM Policy and Procedure through the Covid-19 Pandemic, and the lessons learnt. The Committee AGREED to endorse the CIM Policy and Procedure and, further to this, AGREED that a Business Continuity Management Plan testing programme should be devised for the coming academic year.

***Kerry McCormack left the meeting***

**6.2 CYBER-SECURITY CONTROL RISK MATRIX REPORT**

- 6.2.1 The Committee NOTED that the College had adopted a risk-based approach to cyber security in line with Scottish Government requirements. The Chief Operating Officer highlighted progress against a Cyber Security Risk Control Matrix, which illustrated how individual College risks related to various aspects of cyber security were being managed at the College and indicated areas for further development.
- 6.2.2 The Committee welcomed the opportunity to review the Cyber Security Risk Control Matrix, and DISCUSSED the following points:
- (i) The work conducted to reduce risks relating to remote connectivity and the secure access to privileged accounts by IT staff (- who connect directly to the College network).
  - (ii) The investment of the College in a managed security operations centre, implemented by a specialist cyber-security firm.
  - (iii) The need to remain vigilant to the fact that three quarters of cyber-attacks are due to human error or malicious intent.
  - (iv) The importance of mandatory training to raise staff awareness and vigilance to cyber-attacks.
  - (v) The need for continued cyber-resilience training for members of the Board.
- 6.2.3 The Committee AGREED that it should continue to receive annual updates to review progress against the Cyber Security Risk Control Matrix and monitor new and emerging cyber-related risks.

***The Digital Infrastructure Service Lead left the meeting***

### ***Fiona Riddoch joined the meeting***

#### 6.3 DEEP DIVE: ENVIRONMENTAL SUSTAINABILITY

- 6.3.1 The Committee NOTED progress against the Environmental Sustainability Strategy 2020-25, which was approved by the Board in December 2019. The Director of Communications, Policy & Research advised the Committee that the central ambition for the College was to be carbon neutral by 2030, with 75% reduction in emissions by 2025.
- 6.3.2 The Committee NOTED the College had signed up to several climate change leadership commitments in 2020/21, in response to the climate crisis and COP26. The Director of Communications, Policy & Research specifically highlighted the College Development Network led *College Climate Emergency Statement* signed by all of Scotland's colleges and the *Edinburgh Climate Compact*, a regional commitment to work with other stakeholders on climate issues.
- 6.3.3 The Committee DISCUSSED the progress made to implement the College Strategy, and its central importance to ensure the College responded to the climate crisis declared by Scottish Government. The Director of Communications, Policy & Research highlighted that, although the College had made significant progress over the past two years, it would be difficult to achieve the long-term net zero target without additional financial investment from the Scottish Government.
- 6.3.4 The Committee DISCUSSED the work done by the College to map and record its environmental sustainability work across the curriculum and the high levels of engagement with students through ECSA campaigns. The Director of Communications, Policy & Research emphasised the important role of the College in educating young people about environmental sustainability and the impact of Climate Change.
- 6.3.5 The Committee NOTED that environmental sustainability would increasingly be an important element of all aspects of business generally, and that the College should look to promote its track record and ability to educate young people in the range of activities to support environmental sustainability, to its partners and the wider public.
- 6.3.6 The Committee welcomed the report and NOTED that progress against the Environmental Sustainability Strategy continued to be reviewed by the Policy & Resources Committee.

### ***The Vice Principal Education & Skills joined the meeting***

#### 6.4 DEEP DIVE: COURSE COMPLETION AND STUDENT DESTINATIONS

- 6.4.1 The Committee NOTED a presentation from the Vice Principal Education & Skills on course completions and student destinations. The Chair highlighted to the Committee that achieving a positive destination for students was the core work of the College.

- 6.4.2 The Committee NOTED that, in the academic year 2014/15, the Vice Principal Education & Skills was appointed to implement changes to ensure that the College successfully met its credits activity target, which it has subsequently achieved for the past four consecutive years. The Vice Principal Education & Skills advised the Committee that, once underlying issues relating to credit activity had been resolved, the focus of the College had now shifted to improving its course completion rates.
- 6.4.3 The Committee NOTED that too much duplication in teaching and a huge reliance on summative assessment, combined with a lack of management level posts across curriculum teams, had contributed to the College's national position in the bottom quartile for course completion rates. The Vice Principal Education & Skills advised the Committee that a significant amount of work had been carried out, over the past year, to review course content and assessment levels, whilst the College had recently implemented changes to its curriculum management structure (Minute 4.1.3 refers).
- 6.4.4 The Committee DISCUSSED the new curriculum management structure and its value for money given the potential benefits to quality enhancement across the College.
- 6.4.5 The Committee NOTED that the SFC required all colleges to carry out a College Leaver Destination Survey annually during the month of February, with information being gathered from a range of sources including internal college data, UCAS and feedback from a telephone survey. The Vice Principal Education & Skills advised the Committee that whilst 94% of students (in 2020/21) achieved a positive destination, the best way to improve this figure was through enhancements to course completion and attainment rates.

***The Vice Principal Education & Skills left the meeting***

**7. ANY OTHER COMPETENT BUSINESS**

**7.1 NATIONAL FRAUD INITIATIVE UPDATE**

7.1.1 The Committee NOTED that the College had completed a National Fraud Initiative exercise, led by Audit Scotland on behalf of the Scottish Government. The Director of Finance advised the Committee no errors or instances of fraud had been identified through the counter-fraud exercise process.

**7.2 DEPARTURE OF THE CHAIR OF THE AUDIT & RISK ASSURANCE COMMITTEE**

7.2.1 The Committee NOTED that the tenure of the Audit & Risk Assurance Committee Chair, as a Non-Executive Board Member, would end on 1 March 2022. The Chief Operating Officer, on behalf of the Executive Team, thanked Mr Paul for his excellent stewardship of the Committee over the past seven years, which had led to significant advancement of both the good governance and internal controls in place at the College.

7.2.2 The Committee NOTED that Janyce Holmes, a Non-Executive Member of the Audit & Risk Assurance Committee, would assume the role of Committee Chair from 1 March 2022 onwards.

7.3 DEPARTURE OF INDEPENDENT MEMBER

7.2.1 The Committee NOTED that the tenure of the Independent Member, Ian Doig, would end on 31 July 2022. The Chair, on behalf of the Committee and the Board, thanked Mr Doig for his significant contribution to strategic risk management and assurance.

**8. FOR INFORMATION**

8.1 INTERNAL AUDIT PROGRESS REPORT

8.1.1 The Committee NOTED a summary of internal audit activity during the academic year 2020/21 (to date), which included details on the activity planned for the coming quarter.

8.2 REPORTABLE DATA BREACH INCIDENT UPDATE

8.2.1 The Committee NOTED that no reportable data breach incidents had taken place at the College from 1 November 2021 to 31 January 2022.

8.3 COMMITTEE PROGRAMME OF WORK 2021/22

8.2.1 The Committee NOTED its proposed programme of work for the upcoming academic year.

**9. DATE OF NEXT MEETING**

9.1 The next meeting of the Audit & Risk Assurance Committee will take place on 25 May 2022.

***Meeting closed at 16:50***

.

.