

## AUDIT & RISK ASSURANCE COMMITTEE

### AGENDA

A meeting of the Audit & Risk Assurance Committee will be held at 15:00 hours on Wednesday 26 May 2021 via Microsoft Teams.

		Lead Speaker	Paper
1	WELCOME & APOLOGIES	Chair	
2	DECLARATIONS OF INTEREST	Chair	
3	<a href="#">MINUTES OF PREVIOUS MEETING</a> <i>for approval</i>	Chair	A
4	MATTERS ARISING REPORT		
	4.1 Matters Arising Update	Chair	B
	4.2 Business Committees of the Board Update	Chair	Verbal
5	INTERNAL AUDIT REPORTS		
	5.1 Summary of Audit Recommendations	A Williamson	C
	5.2 Internal Audit Report: Student Support	BDO	D
	5.3 Internal Audit Report: Curriculum Planning	BDO	E
	5.4 Internal Audit Report: International Contracts	BDO	F
	5.5 Internal Audit Report: Communications	BDO	G
	5.6 Internal Audit Plan 2021/22	BDO	H

*Item 5 is presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs*

6	RISK ASSURANCE		
	6.1 Risk Management Report	N Croft	I
	6.2 Deep Dive: Safeguarding	M Hoenigmann	J

*Item 6 is presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs*

7	AUDIT SCOTLAND: 2020/21 ANNUAL AUDIT PLAN	Audit Scotland	K
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*Item 7 is presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs*

8	ANY OTHER COMPETENT BUSINESS		
	8.1 Review of Committee Operation 2020/21	Chair	L <b>Attached</b>
9	FOR INFORMATION		

9.1	Internal Audit Progress Report	M
9.2	Data Breach Incident Update	N
9.3	Horizon Scanning Report	O
9.4	Audit & Risk Assurance Committee Business Planner 2021/22	P <b>Attached</b>

10 DATE OF NEXT MEETING: To be confirmed

*N.B: The minutes of the Audit & Risk Assurance Committee are reported directly to the Board of Management, with an accompany commentary from the Committee Chair.*

## Review of Audit & Risk Assurance Committee Operation 2020/21 - Part 1

<b>1</b>	<b>Role and remit</b>	<b>Yes/No</b>	<b>Comments/Action</b>
1.1	Does the audit committee have written terms of reference (ToR)?	<b>Yes</b>	The ToR is published on the College <u>website</u> .
1.2	Do the terms of reference cover the core functions of an audit committee as identified in the <i>SG Audit Committee Handbook</i> ?	<b>Yes</b>	The <i>General Committee Remit</i> and <i>Specific Committee Role and Remit</i> are outlined in the ToR.
1.3	Are the terms of reference approved by the audit committee and reviewed periodically?	<b>Yes</b>	The Committee reviewed its ToR on 07 October 2020, and no amendment the document were put forward to the Board.
1.4	Has the audit committee been provided with sufficient membership, authority and resources to perform its role effectively and independently?	<b>Yes</b>	The ToR outlines the Committee's membership, authority and its resources. The Committee currently has four Non-Executive Members, plus an independent co-opted member with significant public sector expertise.
1.5	Does the body's statement on internal control mention the audit committee's establishment and its broad purpose?	<b>Yes</b>	The statement is shown in the Annual Report and Accounts to 31 July 2020 and covers these points.
1.6	Does the audit committee periodically assess its own effectiveness?	<b>Yes</b>	The Committee completes a self-assessment at its last meeting of every academic year.
<b>2</b>	<b>Membership, induction and training</b>	<b>Yes/No</b>	<b>Comments/Action</b>
2.1	Has the membership of the audit committee been formally agreed by the management board and or Accountable Officer and a quorum set?	<b>Yes</b>	A quorum of two members of the Committee has been agreed by the Board, as is clearly stated in the ToR.
2.2	Are members appointed for a fixed term?	<b>Yes</b>	Non-executive members of the Board are appointed for a fixed term. Appointments and tenures are monitored by the Nominations Committee.

			As of May 2021, non-executive members on the Committee include: Nigel Paul (Chair), Judith Sischy, Ross Laird and Lesley Drummond.
2.3	Does at least one of the audit committee members have a financial background?	<b>Yes</b>	Two member of the Committee has a chartered accountancy background, as does the Committee's co-opted member. The remaining two members have financial experience through their current/previous roles as Directors.
2.4	Are all members, including the chair, independent of the executive Function?	<b>Yes</b>	The Committee's membership consists of non-executive Board members.
2.5	Are new audit committee members provided with an appropriate induction?	<b>Yes</b>	New Board members are provided with an induction as agreed by the Nominations Committee. The chair of the Audit and Risk Assurance Committee provides an induction briefing for new members of the Committee.
2.6	Has each member formally declared his or her business interests?	<b>Yes</b>	A Register of Interests is maintained by the Clerk to the Board (last updated April 2021). <i>Declarations of Interest</i> is a standing item at every Committee meeting.
2.7	Are members sufficiently independent of the other key committees of the Board?	<b>Yes</b>	<p>The Chair of the A&amp;RA Committee, Nigel Paul, sits on the Board's Policy &amp; Resources Committee. <i>[For information, the Chair of the A&amp;RA was appointed Interim Vice Chair of the Board from 01 November 2019 until the recruitment of a new Chair of the Board is confirmed]</i></p> <p>Judith Sischy sits on the Academic Council, whilst Lesley Drummond acts as Chair to the Corporate Development Committee and is a member of the Policy &amp; Resources Committee.</p> <p>Ross Laird, from 01 March 2021, became a member of the Remuneration Committee.</p> <p>The overlap of non-executive members on committees supports greater awareness of key risk and controls, and contributes to discussions held by the Committee.</p>

			Ian Doig, a co-opted member of the A&RA Committee acts independently of the Board and its committees and provides valuable input through his significant audit committee experience.
2.8	Has the audit committee considered the arrangements for assessing attendance and performance of each member?	<b>Yes</b>	Arrangements for assessing attendance and performance are implemented by the Nominations Committee. An overview of attendance and performance is provided to the Board annually.  The Committee completes a Review of Committee Operation Form at the end of each year.
<b>3</b>	<b>Meetings</b>	<b>Yes/No</b>	<b>Comments/Action</b>
3.1	Does the audit committee meet regularly, at least four times a year?	<b>Yes</b>	The Committee met four times in 2020/21 (October, November, March & May), as required by its ToR. Due to the Covid-19 Pandemic, and subsequent social distancing guidance, all meetings in the academic year were held remotely through Microsoft Teams.
3.2	Do the terms of reference set out the frequency and broad timing of meetings?	<b>Yes</b>	Paragraph 11.1 of the ToR states that; 'the Committee shall meet at least four times a year, in line with the College Financial Year'.
3.3	Does the audit committee calendar meet the body's business and governance needs, as well as the requirements of the financial reporting calendar?	<b>Yes</b>	Following consultation with the Chair of the A&RA Committee, the Board and Committee cycle is agreed with the Chief Operating Officer and Committee members 3-4 months prior to the cycle commencing. The calendar is also checked to align with the financial reporting calendar.
3.4	Are members attending meetings on a regular basis and if not, is appropriate action taken?	<b>Yes</b>	The Nominations Committee review attendance annually, and if required action will be taken.
3.5	Does the Accountable Officer attend all meetings and, if not, is he/she provided with a record of discussions?	<b>Yes</b>	The Principal is invited to all A&RA Committee meetings, and receives an electronic version of the papers. The Principal also receives the draft Committee minutes for information.  In 2020/21, the Principal attended all four meetings of the Committee.

3.6	Does the audit committee have the benefit of attendance of appropriate officials at its meetings, including representatives from internal audit, external audit and finance?	<b>Yes</b>	<p>The College's Chief Operating Officer attends and supports the Committee, as Executive Lead. Internal and external auditors from BDO and Audit Scotland (respectively) are invited to all meetings of the Committee. The overall attendance records of auditors are excellent.</p> <p>The Committee has also invited appropriate members of the Senior Management Team to present of specific topics aimed at providing the Committee with a better understanding of individual risks, and assurances that these risks are managed appropriately. It is hoped that this approach may provide a learning experience for Exec/Leadership members in the operation and role of an A&amp;RA Committee.</p>
<b>4</b>	<b>Internal Controls</b>	<b>Yes/No</b>	<b>Comments/Action</b>
4.1	Does the audit committee consider the findings of annual reviews by internal audit and others, on the effectiveness of the arrangements for risk management, control and governance?	<b>Yes</b>	The Committee receives a status update report at each meeting in-relation to ongoing internal audit recommendations, and receives an annual report from both the Internal and External Auditors. A member of the A&RA Committee also attends the College's Risk Management Group meetings.
4.2	Does the audit committee consider the findings of reviews on the effectiveness of the system of internal control?	<b>Yes</b>	An operational audit plan is agreed at the start of the financial year. The audit reviews comment on the effectiveness of the system of internal control and are presented by the Internal Auditors at meetings of the Committee.
4.3	Does the audit committee have responsibility for review of the draft Statement on Internal Control (SIC) and does it consider it separately from the accounts?	<b>Yes</b>	<p>The draft statement on Internal Control is considered by the Committee prior to the finalisation of the Annual Report and Accounts. The Committee also reviews the Statement on Internal Control (SIC) submitted by the Principal to the SFC/Scottish Government.</p> <p>In 2020/21, the Executive Team were asked to complete Internal Control Assurance Statements, based on a government internal control framework, for each of their areas. The Principal considered each statement and used them as a basis for her own assurance statement, as submitted to the SFC with the end of year accounts.</p>

4.4	Does the audit committee consider how accurate and meaningful the SIC is?	<b>Yes</b>	See above.
4.5	Does the audit committee satisfy itself that the arrangements for risk management, control and governance have operated effectively throughout the reporting period?	<b>Yes</b>	<p>Risk management, control and governance matters are regularly discussed at A&amp;RA meetings. These aspects are also underpinned by specific audits which provide assurance to the Committee that there is effective management and control within the organisation.</p> <p>Over the course of the academic year the Committee has considered the development and presentation of the risk register.</p> <p>To satisfy itself further the Committee has conducted 'deep dives' into key risks on the risk register in 2020/21 further assurances.</p> <p>A member of the A&amp;RA Committee also attends the College's Risk Management Group meetings.</p> <p>In October 2021, the Committee reviewed its current internal control, assurance and risk management arrangements against its previously agreed 'three lines of defence' model. The model identifies College arrangements and clear lines of accountability, which are responsible for providing assurance with regard to the management of key business areas and risks.</p>
4.6	Has the audit committee considered how it should coordinate with other committees that may have responsibility for risk management and corporate governance?	<b>Yes</b>	<p>The Committee, through its membership, has strong links with the Policy &amp; Resources Committee.</p> <p>At each of its meetings in 2020/21, the Committee received verbal feedback from non-executive members on key matters considered by each business committee of the Board. <i>[For information, Paragraph 2.7 outlines non-executive membership of business committees]</i></p> <p>The Committee has ensured that internal audit reports and reports relating to deep dive discussions have been shared with other committees (- as appropriate).</p>

4.7	Has the audit committee satisfied itself that the body has adopted appropriate arrangements to counter and deal with fraud?	<b>Yes</b>	In the previous academic year, the A&RA Committee reviewed the controls for prevention of Fraud Bribery and Corruption, and the inclusion of a fraud counter maturity model in March 2020. At the same meeting, the Committee received an update on the College's participation in the National Fraud Initiative Exercise, and noted minor recommendations to be implemented by the College.  As part of the Annual Accounts to 31 June 2020, the Committee noted the current arrangements of the College to counter and deal with fraud.
4.8	Has the audit committee been made aware of the role of risk management in the preparation of the internal audit plan?	<b>Yes</b>	Risk management is particularly high profile within the College, and assurance is sought on a monthly basis. There are early discussions on the annual internal audit plan involving internal auditors, at which stage a framework of audit reviews is agreed.  Additionally, the internal audit plan has been cross-referenced with the Edinburgh College top risk register.
4.9	Does the audit committee's terms of reference include oversight of the risk management process?	<b>Yes</b>	Paragraphs 3.1 and 4 (in the ToR) outline the Committee's oversight of risk.
4.10	Does the audit committee consider assurances provided by senior staff?	<b>Yes</b>	The Committee has received specific reports from senior staff and members of the Executive Team. Reports from Finance, Corporate Development, Quality, HR and ICT are regularly included in the 'Internal Audit Recommendation Summary Report'.
4.11	Does the audit committee receive and consider stewardship reports from senior staff in key business areas such as Finance, HR and ICT?	<b>Yes</b>	See 4.10 (above).
<b>5</b>	<b>Financial Reporting and regulatory matters</b>	<b>Yes/No</b>	<b>Comments/Action</b>
5.1	Is the audit committee's role in the consideration of the annual accounts clearly defined?	<b>Yes</b>	Paragraph 3.2.15, within the ToR outlines the Committee responsibility in-relation to the College's annual financial statements.
5.2	Does the audit committee consider, as appropriate:		



	<ul style="list-style-type: none"> <li>• the suitability of accounting policies and treatments</li> </ul>	<b>Yes</b>	An FRS 18 accounting policies report is provided to the A&RA prior to the preparation of the annual accounts.
	<ul style="list-style-type: none"> <li>• major judgements made</li> </ul>	<b>Yes</b>	These will be reported as required.
	<ul style="list-style-type: none"> <li>• large write-offs</li> </ul>	<b>Yes</b>	Debt write off is reported on an annual basis. Should there be an occasion whereby a large one-off item is required to be written-off, authorisation would be required through the Policy & Resources Committee.
	<ul style="list-style-type: none"> <li>• changes in accounting treatment</li> </ul>	<b>Yes</b>	This will be covered in the FRS 18 accounting policies report, and/or reported during the year when accounting changes are known.
	<ul style="list-style-type: none"> <li>• the reasonableness of accounting estimates</li> </ul>	<b>Yes</b>	As above.
	<ul style="list-style-type: none"> <li>• the narrative aspects of reporting?</li> </ul>	<b>Yes</b>	All reports are considered and discussed.
5.3	Is an audit committee meeting scheduled to receive the external auditor's report to those charged with governance including a discussion of proposed adjustments to the accounts and other issues arising from the audit?	<b>Yes</b>	The External Auditors presented their report on the Annual Accounts To 31 July 2020 at the 25 November 2020 meeting of the Committee.
5.4	Does the audit committee review management's letter of representation?	<b>Yes</b>	Outlined in ToR, Paragraph 3.2.16. Agreed by the A&RA Committee and the Board as part of Financial Accounts.
5.5	Does the audit committee gain an understanding of management's procedures for preparing the body's annual accounts?	<b>Yes</b>	An annual accounts timetable is prepared and is available for discussion. There is also an External Auditors audit plan which is presented to the A&RA Committee,
5.6	Does the audit committee have a mechanism to keep it aware of topical legal and regulatory issues?	<b>Yes</b>	The Chief Operating Officer and Head of Communications, Policy & Research provide regular reports to the Committee and the Board. The internal and external auditors are also present at Committee meetings to advise members - as appropriate. At each meeting there is a 'horizon scanning' agenda item where updates on the economic, legal and regulatory environment are raised.

<b>6</b>	<b>Internal Audit</b>	<b>Yes/No</b>	<b>Comments/Action</b>
6.1	Does the Head of Internal Audit attend meetings of the audit committee?	<b>Yes</b>	A senior representative from the internal auditors (BDO) attends each Committee meeting.
6.2	Does the audit committee approve, annually and in detail, the internal audit plans including consideration of whether the scope of internal audit work addresses the body's significant risks?	<b>Yes</b>	The Committee considered/approved the 2020/21 Internal Audit Plan on 27 May 2020. Subsequent changes requested by the Committee have been incorporated and progress updates reviewed.
6.3	Does internal audit have a direct reporting line, if required, to the audit committee?	<b>Yes</b>	The internal auditors have a direct reporting line to the A&RA Committee and attend each meeting. The chair privately meets with Internal Audit during the year, and the Committee meets privately with the Internal Auditors prior to its November meeting. The auditors are able to raise any issues with the chair of the A&RA Committee at any time.
6.4	As well as an annual report from the Head of Internal Audit, does the audit committee receive progress reports from the internal audit service?	<b>Yes</b>	See 6.2 (above). Regular updates on the Plan have been provided to Committee meetings. Progress updates on audits are presented at meetings.
6.5	Are outputs from follow-up audits by internal audit monitored by the audit committee and does the committee consider the adequacy of implementation of recommendations?	<b>Yes</b>	The Committee receives a status update report at each meeting in relation to ongoing internal audit recommendations. Members are provided with an opportunity to consider the adequacy of each recommendation implementation.
6.6	If considered necessary, is the audit committee chair able to hold private discussions with the Head of Internal Audit?	<b>Yes</b>	The Committee Chair met privately with the Head of Internal Audit on multiple occasion in 2020/21. The full committee met privately with the auditors (via Microsoft Teams) in advance of the 25 November 2020 meeting.
6.7	Is there appropriate co-operation between the internal and external auditors?	<b>Yes</b>	Both sets of auditors are represented at all meetings and the external auditors gain assurance from the work of internal auditors.
6.8	Does the audit committee review the adequacy of internal audit staffing and other resources?	<b>Yes</b>	There is an annual review of the performance of the internal audit service.

6.9	Are internal audit performance measures monitored by the audit committee?	<b>Yes</b>	As above.
6.10	Has the audit committee considered the information it wishes to receive from internal audit?	<b>Yes</b>	The Committee considered the 2020/21 Internal Audit Plan in 27 May 2020. The scoping and format of subsequent audit reports was discussed. Further to this, the Committee has considered in-year changes to the audit plan to ensure it remains fit for purpose.
6.11	Do formal terms of reference exist defining internal audit's objectives, responsibilities, authority and reporting lines?	<b>Yes</b>	Paragraphs 3.2.3 to 3.2.14 (in the ToR) defined the internal auditor's objectives, responsibilities, authority and reporting lines.
<b>7</b>	<b>External Audit</b>	<b>Yes/No</b>	<b>Comments/Action</b>
7.1	Does the external audit representative attend meetings of the audit committee?	<b>Yes</b>	External auditors from Audit Scotland attended the 25 November 2020 meeting to present the end of year accounts.  Audit Scotland representatives attended each meeting of the A&RA Committee during the academic year.
7.2	Do the external auditors present and discuss their audit plans and strategy with the audit committee (recognising the statutory duties of external audit)?	<b>Yes</b>	The Financial Accounts Annual Audit Plan is presented to the Committee.
7.3	Does the audit committee chair hold periodic private discussions with the external auditor?	<b>Yes</b>	The Committee Chair met privately with the external auditor on multiple occasion in 2020/21, and the full committee meet privately with the auditors in advance of the 25 November 2020 meeting.
7.4	Does the audit committee review the external auditor's annual report to those charged with governance?	<b>Yes</b>	The A&RA Committee reviews the annual report from the external auditor.
7.5	Does the audit committee ensure that officials are monitoring action taken to implement external audit recommendations?	<b>Yes</b>	External audit recommendations are reviewed and addressed.

7.6	Are reports on the work of external audit presented to the audit committee?	<b>Yes</b>	The A&RA Committee receive and discuss the audit plan and the interim report.
7.7	Does the audit committee assess the performance of external audit?	<b>Yes</b>	Audit Scotland requested feedback on the performance of the external auditors.
7.8	Does the audit committee consider the external audit fee?	<b>Yes</b>	Audit Scotland presents a fee range to the Committee and the fee is agreed with the external auditors.
<b>8</b>	<b>Administration</b>	<b>Yes/No</b>	<b>Comments/Action</b>
8.1	Does the audit committee have a designated secretariat?	<b>Yes</b>	Secretariat duties are designated to the Clerk to the Board of Management.
8.2	Are agenda papers circulated in advance of meetings to allow adequate preparation by audit committee members?	<b>Yes</b>	An agenda and papers are circulated one week prior to the Committee meeting.
8.3	Do reports to the audit committee communicate relevant information at the right frequency, time, and in a format that is effective?	<b>Yes</b>	The A&RA Committee members are generally satisfied with the reports that they receive
8.4	Does the audit committee issue guidelines and/or a pro forma concerning the format and content of the papers to be presented?	<b>Yes</b>	All papers have a front sheet setting out the paper's purpose, the action(s) required and any strategic / financial / risk / legal / equality implications.
8.5	Are minutes prepared and circulated promptly to the appropriate people, including all members of the Board?	<b>Yes</b>	Draft minutes are provided to the Executive Lead (for review) within 10 working days, and are subsequently circulated to Committee members.
8.6	Is a report on matters arising presented or does the chair raise them at the audit committee's next meeting?	<b>Yes</b>	Matters arising are reported to each Committee meeting as a paper.

8.7	Do action points indicate who is to perform what and by when?	<b>Yes</b>	The matters arising report attributes actions and outlines timescales agreed by the Committee.
8.8	Does the audit committee provide an effective annual report on its own activities?	<b>Yes</b>	A report of its own activities is presented by the Chair of the A&RA Committee to the Board of Management.
<b>9</b>	<b>Overall</b>	<b>Yes/No</b>	<b>Comments/Action</b>
9.1	Does the audit committee effectively contribute to the overall control environment of the organisation?	<b>Yes</b>	Through its works developing the three lines of defence control and assurance framework the Committee made a significant contribution to the control environment of the organisation.
9.2	Are there any areas where the audit committee could improve upon its current level of effectiveness?	<b>Yes</b>	The Committee shall continue to monitor its effectiveness and seek to make further improvements.  The Covid-19 Pandemic continues to offer significant challenges for the College and the wider sector. The Committee has an important role to play in ensuring that appropriate risk management and business continuity planning is taking place. The issues raised through the short, medium and long-term issues raised through the pandemic will provide an opportunities for the Committee to review its effectiveness.
9.3	Does the audit committee seek feedback on its performance from the Board and Accountable Officer?	<b>Yes</b>	The Committee Chair will receive feedback from the Chair of the Board annually, as part of the Board member review process.

**YES/NO/NA Comments/Action**

## Review of Audit & Risk Assurance Committee Operation 2020/21 - Part 2

### **Performance Monitoring Role**

1. Is the Committee monitoring the KPIs it needs to in line with its remit or is there a need for review or change?

*The role of the Committee is to review, gain assurances, and report to the Board on the effectiveness of the College's governance arrangements, financial systems, internal control environment and risk management arrangements.*

*It does this by: receiving reports from management; requesting specific presentations on key topics/risks from management; receiving key financial and other performance information; receiving the output from the college's Statement of Internal Control process; reviewing the key risks and mitigations of the College; receiving reports from, and having meetings with internal auditors and external auditors; receiving reports from other external bodies; attendance of individual committee members at Risk Management & Assurance Group meetings; and horizon scanning. Many of these areas have been the focus of continued development over the past year.*

2. Does the Committee receive the information it needs to monitor performance effectively?

*The Committee receives sufficient information to undertake its role effectively, and constantly looks at means of improving its understanding of the control and risk environment of the College and obtaining assurances of the adequacy of the College's governance, risk and control processes.*

3. Have there been any areas where the Committee has not been able to exercise its performance monitoring role effectively or where practice could be improved?

The Committee shall continue to monitor its practice going forward.

### **Strategic Role**

4. How would the Committee define the key strategic issues within its remit?

*This is clearly outlined in the Committee's terms of reference.*

5. In what ways has the Committee influenced strategy in its area of remit in the last year?

*The Committee looks to influence and gain assurance that the College is delivering on its key strategic priorities, through the mechanisms described above (under 'Performance Monitoring').*

6. Are there particular areas in which the Committee might improve practice in relation to its strategic role?

No. However, the Committee will continue to review its practice.

## **Decision-Making**

7. Has decision-making been “transparent, informed, rigorous and timely<sup>1</sup>” in the past year?

*Where the Committee is required to make decisions, it has done so in an informed and timely manner.*

8. Are there ways that the Committee could strengthen its practice in relation to decision-making?

No. However, the Committee will continue to review its practice going forward

9. Are there examples that show how the student experience has informed and been central to the Committee’s decisions?

*The Committee has considered internal audit reports on the EMA, bursaries and student support funds.*

## **Relationships**

10. Has the Committee’s relationship with the Board been effective in the past year, and are there any examples of where it could have been more effective?

*The Committee’s relationship with the Board is defined by: the regular reporting of its minutes at each Board meeting, the annual report to the Board, the attendance of the Board Chairperson and Principal at A&RA Committee meetings and the participation of members of the Committee in other Committees.*

*Members of the Committee have also had the opportunity to discuss matters of concern amongst themselves outside formal meetings. This has provided an effective relationship between the Committee and the Board, and enabled the boundary between governance and management to operate effectively with members of the Committee able to challenge and advise executive colleagues as appropriate.*

*As a standing item presented at each meeting, the Committee receives verbal updates from the three other business committees of the Board on key matters of business.*

11. Has the Committee’s relationship with the Executive been effective in the past year, and are there any examples of where it could have been more effective?

*The Committee’s relations with the Executive is defined by: private meetings with the Chief Operating Officer; meetings with the Principal and the Board secretariat, as well as inviting other members of the Executive team into A&RA committee meetings.*

12. Has the boundary between governance and management been effective in practice in the past year or are there examples of where it could have been more effective?

*The A&RA Committee has satisfactorily maintained the boundary between governance and management.*

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<sup>1</sup> This is a definition of effective decision-making given in the Code of Good Governance for Scotland’s Colleges.

**AUDIT & RISK ASSURANCE COMMITTEE**  
**26 MAY 2021**  
**PAPER P**



<b>FOR INFORMATION</b>			
Meeting	Audit & Risk Assurance Committee 26.05.21		
Presented by	Chair		
Author/Contact	Marcus Walker	Department / Unit	Governance
Date Created	09.04.21	Telephone	-
Appendices			
Disclosable under FOISA	Yes.		

**AUDIT & RISK ASSURANCE COMMITTEE - AGENDA PLANNER 2021/22**

**1. PURPOSE**

To provide Committee members with an opportunity to review upcoming items of business.

**2. BACKGROUND**

It is important that the Board and its committees follow an appropriate plan of work in order to ensure they effectively cover all areas of their remit throughout the year and make the most efficient use of their time.

**3. DETAIL**

Below are proposed agenda items (and lead speaker) for the next three meetings of the Audit & Risk Assurance Committee, excluding Minutes of the Previous Meeting, Matters Arising, Any Other Competent Business and For Information papers (e.g. Data Breach Report):

**3.1 October 2021 (Date to be confirmed)**

- REVIEW OF COMMITTEE OPERATION 2020/21 (Chair)
- TERMS OF REFERENCE (Chair)
- AUDIT SCOTLAND: SCOTLAND'S COLLEGE 2021 (Audit Scotland)
- INTERNAL AUDIT
  - Summary of Audit Recommendations (A Williamson)
  - Internal Audit Report: Follow-up Report 2020/21 (BDO)
  - Internal Audit Annual Report 2020/21 (BDO)
- RISK ASSURANCE
  - Risk Assurance Report (N Croft)
  - Three Lines of Defence Annual Report (N Croft)
  - Annual Report on Data Breach Incident and Cyber Attacks (N Croft)



- Deep Dive: Commercial Development (M Jeffrey / J Grant)
- EXTERNAL AUDIT
  - Compliance with the Code of Good Governance (N Croft)
  - Internal Control Assurance Statements (A Cumberford)
  - Draft Annual Report and Financial Statement (L Towns)
- ANNUAL COMPLAINTS REPORT (K Heathcote)
- HORIZON SCANNING REPORT (N Croft)

### 3.2 November 2021 (Date to be confirmed)

- INTERNAL AUDIT
  - Summary of Audit Recommendations (A Williamson)
  - Internal Audit Report: FES Return 2020/21 (BDO)
  - Internal Audit Report: Student Support Funds (BDO)
  - Internal Audit Progress Report (BDO)
  - Evaluation of Internal Audit 2020/21 (Chair)
- RISK ASSURANCE
  - Risk Management Report (N Croft)
  - Deep Dive: TBC (TBC)
- END OF YEAR ACCOUNTS
  - A&RA Committee Annual Report to the Board (Chair)
  - External Audit report (Audit Scotland)
  - Draft Letter of Representation (Audit Scotland)
  - Final Annual Report & Financial Statements (L Towns)
- HORIZON SCANNING REPORT (N Croft)

### 3.3 February 2022 (Date to be confirmed)

- INTERNAL AUDIT
  - Summary of Audit Recommendations (A Williamson)
  - Internal Audit Report: TBC (BDO)
- RISK ASSURANCE
  - Risk Management Report (N Croft)
  - Deep Dive: TBC (N Croft)
- HORIZON SCANNING REPORT (N Croft)
- AUDIT SCOTLAND STATUTORY FEES 2021/22 (A Williamson)

**4. BENEFITS AND OPPORTUNITIES**

Effective agenda planning will allow the Committee to monitor all aspects of business within its remit in a timely manner.

**CONCLUSIONS/RECOMMENDATIONS**

The Audit & Risk Assurance Committee are asked to NOTE upcoming items of business, and CONSIDER any additional items for discussion at upcoming meetings.

