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AUDIT & RISK ASSURANCE COMMITTEE

MINUTES OF MEETING OF 26 MAY 2021

15:00, Remotely via Microsoft Teams

Present: Ian Doig; Lesley Drummond; Janyce Holmes; Ross Laird; Nigel Paul (Chair)

In attendance: Nick Croft; Audrey Cumberford; Mike Jeffrey; Martin Nolan (Audit Scotland); Ursula Lodge (Audit Scotland); Claire Robertson (BDO); Lindsay Towns; Marcus Walker (Clerk); Alan Williamson

1   WELCOME AND APOLOGIES

1.1   Apologies were received from Judith Sischy.

1.2   The Chair welcomed Janyce Holmes to the Audit & Risk Assurance Committee as a Member, following her appointment as a Non-Executive Board Member on 15 March 2021.

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 February 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.

4.2   BUSINESS COMMITTEE OF THE BOARD UPDATE

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.

5 INTERNAL AUDIT REPORTS

Digital Infrastructure Service Lead joined the meeting

5.1 SUMMARY OF AUDIT RECOMMENDATIONS

5.1.1 The Committee NOTED a report on progress against internal auditors' recommendations previously reported to the Audit & Risk Assurance Committee in 2014/15, 2018/19, 2019/20 and 2020/21.

5.1.2 The Committee NOTED progress against an action related to workforce development and succession planning. The Chief Operating Officer advised the Committee that a Draft Workforce Plan 2021-23 had been reviewed by the Policy & Resources Committee, and would be presented to the Board in due course.

5.1.3 The Committee NOTED progress against actions related to the 2019/20 Cyber Security Audit, and a subsequent Penetration Test held in February 2020. The Chief Operating Officer advised the Committee that the College had prioritised its information security work to close any gaps identified in both reports.

5.1.4 The Committee NOTED that the College had adopted a risk-based approach to cyber security in line with Scottish Government requirements. The Digital Infrastructure Service Lead highlighted to the Committee progress against a Cyber Security Risk Control Matrix, which illustrated how individual risks related to various aspects of cyber security were being managed at the College, and indicated areas for further development.

5.1.5 The Committee welcomed the opportunity to review the Cyber Security Risk Control Matrix, and DISCUSSED the following points:

(i) The independence of the penetration test undertaken by JISC;
(ii) The Incident Management Response and business continuity plans in place to respond to a cyber security breach;
(iii) Recent national cyber security incidents, and the steps taken by other organisations to deal with major cyber-attacks;
(iv) The Risk Control Matrix as framework to support the Committee and the Board in its understanding of cyber security risks.

5.1.6 The Committee AGREED that it should have periodic updates to enable it to review progress against the Cyber Security Risk Control Matrix, and monitor new and emerging cyber security risks. The Chair advised the Committee that the next review should take place at its meeting in October 2021, as part of the annual report on Data Breach and Cyber Security.

5.1.7 The Committee AGREED that the Clerk to the Board should circulate to members two recent press articles, highlighted by the Independent Member, relating to the response of the Scottish Environmental Protection Agency (SEPA) to a major cyber security incident.

Digital Infrastructure Service Lead left the meeting

5.2 INTERNAL AUDIT REPORT: STUDENT SUPPORT

5.2.1 The Committee NOTED that internal audit had conducted a review of the controls in place at Edinburgh College relating to student support. The Internal Auditor advised the Committee that the audit provided substantial assurances related to student support arrangements.

5.2.2 The Committee DISCUSSED response rates to student satisfaction surveys carried out by the College and NOTED that response figures were broadly inline with other colleges across the sector.

5.3 INTERNAL AUDIT REPORT: CURRICULUM PLANNING

5.3.1 The Committee NOTED that internal audit had conducted a review of the controls in place at Edinburgh College relating to curriculum planning. The Internal Auditor advised the Committee that the audit provided substantial assurances related to curriculum planning arrangements.

5.3.2 The Committee DISCUSSED curriculum planning arrangements, and AGREED that outcomes from both the Curriculum Planning and Student Services Internal Audit Reports should be noted by the Academic Council at its next meeting.

5.4 INTERNAL AUDIT REPORT: INTERNATIONAL CONTRACTS

5.4.1 The Committee NOTED that internal audit had conducted a review of the controls in place at Edinburgh College relating to international contracts. The Internal Auditor advised the Committee that the audit provided substantial assurances related to international contract arrangements.

5.4.2 The Committee DISCUSSED international contract arrangements, and commended the International Team for their significant efforts during the Covid-19 Pandemic and the EU Withdrawal period.

5.5 INTERNAL AUDIT REPORT: COMMUNICATIONS

5.5.1 The Committee NOTED that internal audit had conducted a review of the controls in place at Edinburgh College relating to communications. The Internal Auditor advised the Committee that the audit provided substantial assurances related to College-wide communications.

5.5.2 The Committee DISCUSSED the positive Communications Report, and AGREED that outcomes from both the International Contracts and Communications Internal Audit Reports should be noted by the Corporate Development Committee at its next meeting.

5.6 INTERNAL AUDIT PLAN 2021/22

5.6.1 The Committee NOTED the Draft Internal Audit Plan 2021/22, as presented by BDO.

5.6.2 The Committee DISCUSSED the following points related to the proposed Internal Audit Plan:

(i)   The need to ensure the commercial income is considered by the Committee within the academic year;

(ii)   the process undertaken to agree individual audits and their scope;

(iii)   the number of days required to deliver the programme of audits; and,

(iv)   Executive Team satisfaction with the proposed Internal Audit Plan.

5.6.3 The Committee NOTED that Education Scotland had recently undertaken a review of Covid-19 Quality & Student Assessment which may overlap with the audit proposed by the Internal Auditors. The Chair advised the Committee that the Education Scotland report be shared with the Internal Auditor to allow BDO, and the Executive team, to amend the Internal Audit proposals to avoid overlap. The Committee AGREED that it would welcome the opportunity to consider the Education Scotland report at its next meeting.

5.6.4 The Committee AGREED that it was broadly content with the Internal Audit Plan 2021/22, subject to any proposed amendments following further discussions between the Executive Team and the Internal Auditors. The Chair informed the Committee that the Internal Audit Plan 2021/22 would be considered again at its next meeting.

6.   RISK ASSURANCE REPORT

6.1   RISK MANAGEMENT UPDATE

6.1.1 The Committee NOTED a risk management update as provided by the Head of Communications, Policy & Research, which highlighted progress in relation to risk management and reporting since the last meeting of the Committee.

6.1.2 The Committee DISCUSSED the status of risks in the Top-Level Risk Register and NOTED that *Poor Student Retention, Attainment and Progress (Risk 2)* had moved from 'Red' to 'Amber' on the RAG rating.

6.1.3 The Committee NOTED that on the recommendation of the Head of HR & OD, the Risk Management and Assurance Group (RMAG) had agreed that the risk *'Impact of national bargaining on local employee relations'* should be split into two risks to allow a more accurate risk evaluation. The Head of Communications, Policy & Research informed the Committee that the two new risks were *National bargaining impact on College operations (Risk 1)* and *Local employee negotiations breaking down (Risk 16)*.

6.1.4 The Committee DISCUSSED the current hierarchy or risks on the Top-Level Risk Register, and AGREED that all risks should be presented in order of net risk.

6.1.5 The Committee DISCUSSED the scoring of *College estate infrastructure not aligned to meet business needs (Risk 28)* as 'Amber'. The Chair advised the Committee that the in-light of the shift towards blended learning, due to the Covid-19 Pandemic, the Board may welcome the opportunity to consider the future of the College's estate.

6.1.6 The Committee DISCUSSED an Adverse Weather Business Continuity Management Plan, as agreed by the RMAG. The Committee AGREED to

endorse the Business Continuity Management Plan for implementation by the College.

6.2 DEEP DIVE: SAFEGUARDING REPORT

The Head of Student Experience joins the meeting

6.2.1 The Committee NOTED a Safeguarding Report presented by the Head of Student Experience. The Head of Student Experience informed the Committee that Safeguarding was the responsibility of everyone across the College, to ensure the protection of vulnerable young people and adults from harm.

6.2.2 The Committee NOTED that Safeguarding at the College had made significant progress over the past two years, following the appointment of a permanent Safeguarding and Wellbeing Lead. The Head of Student Experience advised the Committee that the appointment had enabled the College to provide a range of enhancements to training, support and process development.

6.2.3 The Committee NOTED the key role of the Safeguarding and Wellbeing Lead in the areas of Gender Based Violence (GBV) prevention and support for unaccompanied young people who have been trafficked to Scotland. The Head of Student Experience highlighted data collected by the College in relation to matters considered as Safeguarding, or a Cause for Concern, and the reporting of such cases to the appropriate authorities.

6.2.4 The Committee welcomed the considerable progress of the College in relation to Safeguarding, and DISCUSSED the following:

    (i)   The level of provision provided for Care Experienced students;
    (ii)   The challenges associated with identify instance of GBV whilst lectures were conducted remotely, and the impact of this on reported incidents of GBV;
    (iii)   The additional funding available to support student through the Covid-19 Pandemic;
    (iv)   Feedback provided by students in relation to Safeguarding at the College.

6.2.5 The Committee NOTED the continued compliance of the College with national safeguarding legislation. The Chair, on behalf of the Committee, commended the Head of Student Experience and her Team for the significant amount of work conducted by the College to ensure appropriate Safeguarding procedures remained in place.

The Head of Student Experience left the meeting

7. AUDIT SCOTLAND: 2020/21 ANNUAL AUDIT PLAN

7.1 EDINBURGH COLLEGE ANNUAL AUDIT PLAN 2020/21

7.1.1 The Committee NOTED an Annual Audit Plan 2020/21, as presented by Audit Scotland, which outlined the planned scope and timing of the audit. The External Auditor advised the Committee that the audit plan would be

carried out in accordance with International Standards on Auditing, the Code of Audit Practice, and other relevant guidance.

7.1.2 The Committee NOTED that the plan identified audit work to provide an opinion on the financial statements and related matters, and meet the requirements of a public sector audit. The External Auditor informed the Committee that the wide scope of such public audits allowed conclusions to be drawn on the appropriateness, effectiveness and impact of corporate governance, performance management arrangements, and financial sustainability. Further to this, the External Auditor highlighted that work would be undertaken on the range of additional funds provided by the Scottish and UK governments during the Covid-19 Pandemic to ensure that they were appropriately managed and also reported in the annual accounts.

7.1.3 The Committee DISCUSSED the Annual Audit Plan 2020/21, and AGREED it was content with the scope and timings of the planned audit work.

7.1.4 The Committee DISCUSSED the presentation of Annual Accounts & Financial Statements, and AGREED that the Chief Operating Officer and the Head of Finance should take up Audit Scotland's offer of guidance on how the Performance and Accountability Reports should be developed, and look to continue to improve the clarity, readability and conciseness of the document.

7.2 EDINBURGH COLLEGE MANAGEMENT REPORT 2020/21

7.2.1 The Committee NOTED a summary of the key issues identified as part of the interim audit work carried out at Edinburgh College. The External Auditors advised the Committee that the audit work allowed Audit Scotland to update its understanding of key controls within financial systems at the College, and to gain assurances over the processes and systems used in preparing the financial statements.

7.2.2 The Committee DISCUSSED the Management Report 2020/21 and NOTED that no significant concerns had been identified by Audit Scotland.

8. ANY OTHER COMPETENT BUSINESS

8.1 REVIEW OF COMMITTEE OPERATION 2020/21

8.1.1 The Committee NOTED that at the end of each academic year the Committee is required to review its annual activity. The Committee Chair advised the Committee that the same evaluation form, which asked members to consider the committee's operation and its performance monitoring and strategic roles, would be completed by all committees of the Board.

8.1.2 The Committee AGREED that its operation was compliant with its terms of reference, as outlined in 'Part 1' of the evaluation form.

8.1.3 The Committee DISCUSSED its performance over the academic year, and AGREED that it was content with the review as a summary of its operation over the academic year.

9. **FOR INFORMATION**

   9.1   INTERNAL AUDIT PROGRESS REPORT

         9.1.1   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.

   9.2   REPORTABLE DATA BREACH INCIDENT UPDATE

         9.2.1   The Committee NOTED that no reportable data breach incidents had taken place at the College from March to May 2021.

   9.3   HORIZON SCANNING REPORT

         9.3.1   The Committee NOTED a Horizon Scanning Report which outlined major political, economic, social, technological, legal and/or environmental developments that could impact on the five strategic plan aims of the College.

   9.4   COMMITTEE PROGRAMME OF WORK 2020/21

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

10. **DATE OF NEXT MEETING**

    10.1   The next meeting of the Audit & Risk Assurance Committee will take place on 13 October 2021.

Meeting closed at 16:50