

**AUDIT & RISK ASSURANCE COMMITTEE**

**MINUTES OF MEETING OF 5 MARCH 2025**

**Meeting held in the Boardroom, Sighthill Campus, 15:00hrs**

**Present**: Kenneth Brooker (Independent Member); Peter Burns (Independent Member); Derek Hynds\*; Judit Harangozo; Bill Troup (Chair)

**In attendance**: Audrey Cumberford\*; Ian Deed; Gordon Hope; Michael Jeffrey\*; Gemma MacLeod (BDO)\*; Michael Speight (Mazars)\*; Marcus Walker (Clerk); Alan Williamson

*\*Joined via Microsoft Teams*

**1. WELCOME AND APOLOGIES**

* 1. No apologies were received.
	2. The Chair welcomed newly appointed Non-Executive Board Members, Judit Harangozo and Derek Hynds, to their first meeting of the Audit & Risk Assurance Committee.
	3. The Committee NOTED that Gail Graham (Assistant Principal Quality & Improvement) and Neil Nodzak (Learning Technologist and Chair of the AI Advisory Group) would join the Committee for Item 6.2, Artificial Intelligence (AI) at Edinburgh College Deep Dive.

**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 27 November 2024 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, except for the following:

 4.1.2 *POLICY REGISTER [REF. MINUTE 6.3.5/11.10.23]*

 The Committee NOTED a draft register of Edinburgh College strategies, policies and plans. The Chief Operating Officer advised the Committee that the documents contained within the register were currently under review, with work being undertaken to streamline the number of policies and procedures.

 4.1.3 *CYBER SECURITY DATA SHARING [REF. MINUTE 6.3.4/02.10.24]*

 The Committee NOTED a verbal update from the Digital Infrastructure Service Lead on data sharing benchmarking information, emphasising that there is currently no sector wide benchmarking sharing on cyber security. The Digital Infrastructure Service Lead advised the Committee that there remained the potential to share information on specific cyber topics with individual colleges.

 4.1.4 *EVALUATION OF INTERNAL AUDIT [REF. MINUTE 9.2.2/27.11.24]*

 The Committee NOTED that the Chair had met with the Internal Audit Lead at BDO on 4 March 2025 to feedback points raised by the Committee at its previous meeting. The Chair advised the Committee that the overall performance of BDO was considered satisfactory.

 4.2 UPDATE ON COLLEGE BUSINESS

 4.2.1 The Committee NOTED verbal update from the Chief Operating Officer on recent activity at the College since the last meeting on the Board of Management on 10 December 2024.

 4.2.2 The Committee DISCUSSED the launch of a Voluntary Severance Scheme to all staff on 4 March 2024 and welcomed assurances provided by the Chief Operating Officer on the implementation of the Scheme.

**5. TERMS OF REFERENCE**

 5.1 The Committee NOTED that - as part of wider restructure of Board committees - a light touch review of the Audit & Risk Assurance Committee’s Terms of Reference had taken place on 27 October 2024 and subsequent changes were approved by the Board of Management on 10 December 2024. The Chair informed the Committee that to ensure that the terms of reference were both concise and clear a more detailed review of the terms of reference should be undertaken.

 5.2 The Committee DISCUSSED the balance between removing repetition from the Terms of Reference whilst ensuring that it continued to cover all aspects of the Committee’s business. The Committee NOTED comments from Members relating to:

1. The Scottish Government’s Audit Committee Handbook.
2. The proposal to map out the cadence of future meetings and agendas against the revised Terms of Reference to provide assurance that all core Committee responsibilities were met.
3. The level of assurance provided in relation to the effectiveness of the internal control environment.

 5.3 The Committee AGREED that the Chair, the Executive Lead, and the Clerk should review the Terms of Reference and circulate an updated draft in advance of its next meeting. The Chair invited all attendees to feedback any additional comments to the Clerk directly by 24 March 2025.

**6. RISK ASSURANCE REPORT**

 6.1 RISK MANAGEMENT REPORT

 6.1.1 The Committee NOTED a risk management update as provided by the Chief Operating Officer, which highlighted progress in relation to risk management and reporting since the Committee met on 2 October 2024.

 6.1.2 The Committee NOTED that the Risk Management & Assurance Group (RMAG), on 11 February 2025, had reaffirmed the following three top risks for the College: (i) *National bargaining impact on college operations*; (ii) *Financial sustainability (insufficient budget / funding to cover cost of living, job evaluation, employer pension contribution increases);* and (iii) *Cyber security breaches within the college*.

 6.1.3 The Committee DISCUSSED points raised by new Non-Executive Board Members regarding the Top-Level Risk Register (TLRR) and the scoring methodology used. The Chair welcomed new Members comments and invited both to attend the next meeting of the RMAG on 6 May 2025 as part of their induction to the Committee.

 6.1.4 The Committee NOTED the reviewed ‘top-risk’ relating to Information Management and subsequent mitigations relating to loss of access (for an unacceptable period) to a cloud hosted or shared service system. The Committee AGREED that the Digital Infrastructure Lead should map co-dependences between information management systems - to assess their impact on other known risks – and report back to the next meeting of the Committee.

 6.1.5 The Committee DISCUSSED the layout of the TLRR and AGREED that it would be beneficial for Senior Management to consider the addition of a ‘management response’ outlining the College’s tolerance towards Red RAG rated risks.

 6.1.6 The Committee NOTED that the College had concluded its annual review of Corporate Business Continuity Plans, which included Loss of Utility; Loss of Site; and Adverse Weather. The Committee DISCUSSED business continuity and disaster recovery planning and AGREED that the Director of Finance & Estate Infrastructure should provide further information on the College’s schedule of testing.

***The Assistant Principal Quality & Improvement and the Chair of the AI Advisory Group joined the meeting***

 6.2 DEEP DIVE: ARTIFICIAL INTELLIGENCE AT EDINBURGH COLLEGE

 6.2.1 The Committee NOTED a deep-dive presentation on AI from the Assistant Principal Quality & Improvement and the Chair of the AI Advisory Group. The Assistant Principal Quality & Improvement advised the Committee that the Group had been established to work collaboratively across the College to share practice, ideas, and concerns with the aim of establishing clear and accessible principles, guidance and tools that would enable all staff and students to work safely and confidently with AI within agreed and supported parameters.

 6.2.2 The Committee NOTED that a revised *Principles for the Use of AI at Edinburgh College* had been approved by the Senior Management Team. The Chair of the AI Advisory Group informed the Committee that sub-groups had been identified to focus on developments and improvements to information, guidance, and practice which would underpin the Principles.

 6.2.3 The Committee NOTED that the AI Advisory Group would continue to reflect on the following challenges relating to AI at the College:

1. Understanding the full scope of usage across departments.
2. Supporting a College population with a wide range of digital literacy.
3. Future-proofing resources to ensure long-term sustainability.
4. The ever-changing nature of the technology.
5. The wider impact of AI beyond academic functions.

 6.2.4 The Committee welcomed the presentation and DISCUSSED the level of engagement with JISC (the UK digital, data and technology agency focused on tertiary education, research and innovation) and cross sector working with other colleges and universities.

 6.2.5 The Committee NOTED that the College supported Microsoft 365 and encouraged the use of its AI companion tool Copilot - where appropriate. The Chair of the AI Advisory Group informed the Committee that AI software to support specific aspects of College business were currently being beta tested to evaluation their performance benefits.

 6.2.6 The Committee AGREED that, given the time constraints placed on the meeting, any further questions or queries should be submitted directly to the Clerk following the meeting.

***The Assistant Principal Quality & Improvement and the Chair of the AI Advisory Group left the meeting***

 6.3 NATIONAL FRAUD INITIATIVE 2024/25 REPORT

 6.3.1 The Committee NOTED a 2024/25 Report on the counter-fraud exercise undertaken by the National Fraud Initiative (NFI) in Scotland. The Director of Finance & Infrastructure outlined the process and the role of Audit Scotland in leading the exercise and publishing the subsequent report.

 6.3.2 The Committee NOTED the results of a matching exercise undertaken through the NFI. The Director of Finance & Infrastructure informed the Committee that the Finance Team were working with the relevant parties to review the results and close-off any matches identified through the exercise.

 6.3.3 The Committee DISCUSSED the NFI exercise and NOTED that it was anticipated that all matches would be closed off successfully.

 6.4 CYBER SECURITY RISK MATRIX CONTROL UPDATE

 6.4.1 The Committee NOTED that the College had a risk-based approach to cyber security in line with Scottish Government requirements. The Digital Infrastructure Service Lead 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 and indicated areas for further development.

 6.4.2 The Committee DISCUSSED the updated Cyber Security Risk Control Matrix and NOTED progress across the following four areas: Change Control; Multi-Factor Authentication; Network Segmentation; and, Mobile Device Management. The Digital Infrastructure Service Lead advised the Committee that an internal audit – to ensure alignment with the College’s Change Control Policy - would be undertaken shortly and the outcome reported to the Committee.

 6.4.3 The Committee AGREED that the Chief Operating Officer, the Digital Infrastructure Service Lead, and both new Committee Members should arrange a meeting to consider the Cyber Security Risk Control Matrix in further detail – prior to the next Audit & Risk Assurance Committee.

**7. INTERNAL AUDIT REPORTS**

 7.1 SUMMARY OF AUDIT RECOMMENDATIONS

 7.1.1 The Committee NOTED a report on progress against internal audit recommendations previously reported to the Audit & Risk Assurance Committee in 2018/19, 2021/22, 2022/23 and 2023/24. The Chief Operating Officer highlighted that, of the 31 outstanding recommendations, 21 had been closed-off and 10 remained ongoing.

 7.1.2 The Committee NOTED the challenges faced by the College to close outstanding Workforce Planning actions, which was recognised as a key project within the Transformation Plan. The Chair highlighted to the Committee that a risk deep-dive on Workforce Planning would take place at a future meeting of the Audit & Risk Assurance Committee.

 7.1.3 The Committee DISCUSSED the process of reviewing both the Internal Audit Plan for 2025/26 and the subsequent three-year internal audit strategy. The Committee AGREED that the Chair, the Chief Operating Officer, and the Internal Audit Lead should ensure that all Members were appropriately engaged with the planning process.

***The Vice Principal Corporate Development left the meeting***

 7.2 INTERNAL AUDIT REPORT: OPERATIONAL RISK MANAGEMENT

 7.2.1 The Committee NOTED that, in accordance with its 2024/25 Internal Audit Plan, BDO had agreed to undertake a review of operational risk management arrangements at the College. The Internal Auditor advised the Committee that the audit covered: policy; risk management processes; monitoring and reporting; and, risk management training.

 7.2.2 The Committee NOTED that the College had demonstrated good practice in its operational risk management arrangements with only two low significance findings highlighted by the Internal Audit Lead. The Chair, on behalf of the Committee, welcomed the significant improvements highlighted by the Internal Audit Lead since the last review of operational risk management in 2018/19.

 7.2.3 The Committee DISCUSSED the internal audit testing undertaken by BDO and AGREED that the Internal Audit Lead should circulate to Members further information on the testing protocol, and the means by which College management were reassured that controls operated effectively.

 7.3 GLOBAL INTERNAL AUDIT STANDARDS UPDATE

 7.3.1 The Committee NOTED that the Institute of Internal Auditors had published new Global Internal Audit Standards, which aimed to support consistency and best practice by setting out requirements for internal audit functions to comply with. The Internal Audit Lead advised the Committee that BDO would continue to update this information within its annual internal audit plan to comply with new Standards.

 7.3.2 The Committee DISCUSSED the inclusion of additional performance metrics in future reporting and AGREED that the Internal Audit Lead should circulate a list of metrics currently used by the wider BDO client base.

**8. ANY OTHER COMPETENT BUSINESS**

8.1 HORIZON SCANNING UPDATE

8.1.1 The Committee NOTED verbal horizon scanning updates from both the Internal and External Audit Leads.

**9. FOR INFORMATION**

9.1 AUDIT & RISK ASSURANCE COMMITTEE BUSINESS PLANNER 2025/26

9.1.1 The Committee NOTED its proposed programme of work for the academic years 2024/25 and 2025/26.

**10. FOR CIRCULATION**

10.1 AUDIT SCOTLAND STATUTORY FEES 2024/25

10.1.1 The Committee NOTED the expected 2024/25 external audit fee (an increase of 1.9% from the previous year) for Edinburgh College as outlined by Audit Scotland.

**11. DATE OF NEXT MEETING**

 11.1 The next meeting of the Audit & Risk Assurance Committee will take place on 21 May 2025.

***Meeting closed at 17:25***