

Draft Minute of Audit Committee Meeting held on Tuesday 18 December 2018

Present	
Paul Buchanan (Chair)	Maureen McKenna
Edward McGrachan	Mike Ward
In Attendance	
Robin Ashton (Executive Director)	Wendy Odedina (Executive Assistant)
Penny Davis (Board Secretary)	David Archibald (Henderson Loggie)
Jim Godfrey (Finance and Resources Director)	Gary Devlin (Scott-Moncrieff)
Apologies	

1. Private Meeting with Auditors

Paper No: Verbal

1.1 Discussion

The external auditor raised two matters with the Committee in relation to GCRB's forward planning.

1.2 Decision

It was **agreed** that a paper would be developed for the next meeting of the Committee in relation to governance mapping and lines of accountability.

2. Introduction and Welcome

Paper No: Verbal

2.1 Decision

The Chair welcomed all to the meeting.

3. Apologies

Paper No: Verbal

3.1 Discussion

None received.

4. Declarations of Interest

Paper No: Verbal

4.1 Discussion

The Chair reminded members that it is their personal responsibility to indicate to the Chair at any point during the meeting if they have, or may be perceived as having, a conflict of interest under any item on the agenda.

5. Chairs Business

Paper No: Verbal

5.1 Discussion

The Chair informed members of the meeting he had with the Assigned College Audit Committee Chairs, noting it to be a very useful meeting, including a strategic input from Audit Scotland on their forthcoming work schedule.

The Chair noted that he had also met with the Board Chair and other Committee Chairs, and also the Finance and Resources Director to discuss audit planning.

6. Minute of Meeting on Tuesday 2 October 2018

Paper No: AC2-A

5.1 Decision

The minute of the meeting held on 2 October was **agreed** as an accurate record.

7. External Audit Annual Report 2017-18

Paper No: Verbal

7.1 Discussion

The External Auditor provided a verbal update on the status of the external audit annual report for 2017-18 noting that this will be submitted to the January Audit Committee meeting.

In summary, he noted that he has been impressed with the quality of the accounts and the consolidation process, and that he did not foresee any significant matters arising to bring to the attention of the Committee.

7.2 Decision

The Committee **noted** the verbal update from the External Auditor.

8. Draft Annual Report and Accounts 2017-18

Paper No: AC2-B

8.1 Discussion

The Finance and Resources Director presented the draft annual report and accounts for 2017-18 noting the positive progress and collaborative work undertaken across the region to reach this stage.

He noted that there are some final small amendments to be made to this draft however no significant changes expected.

8.2 Decision

The Committee:

- reviewed and provided comments on the Draft Annual Report and Accounts for 2017-18 which the GCRB Executive undertook to incorporate;
- noted that they will confirm at the January Audit Committee meeting if it is appropriate for the accounts to be prepared on the 'going concern basis'.

9. Implementation of Internal Audit Recommendations

Paper No: AC2-C

9.1 Discussion

The Finance and Resources Director presented the paper noting one outstanding recommendation due for completion in April 2019.

9.2 Decision

The Committee **noted** the status of the one outstanding recommendation of the previous Internal Audit reports.

10. Internal Audit Annual Report 2017-18

Paper No: AC2-D

10.1 Discussion

The Internal Auditor provided an overview of the report summarising the work undertaken during 2017-18, noting that this had been delivered to plan. He noted his overall opinion as being that proper arrangements are in place within GCRB.

For assurance purposes, he confirmed the status of Henderson Loggie as independent.

10.2 Decision

The Committee **considered** the annual internal audit report.

It was **agreed** that the Internal Auditor would include a paragraph within the report on the consolidated position and that this would be submitted to the January Committee meeting.

11. Internal Audit Annual Plan 2018-19

Paper No: AC2-E

11.1 Discussion

The Internal Auditor provided the draft internal audit plan for 2018-19 noting this has been developed with the GCRB Executive and shared with the Audit Committee Chair.

He asked the Committee to confirm their agreement to the areas proposed noting that scopes would then be drawn up subject to their confirmation.

11.2 Decision

The Committee:

- **considered** the draft Internal Audit Plan 2018-19; and
- **agreed** the Internal Audit Plan 2018-19.

12. Committee's Review of Effectiveness of Internal Auditors

Paper No: AC2-F

12.1 Discussion

The Internal Auditor temporarily left the meeting at this point.

The Board Secretary outlined the process for the Committee to review the performance of the Internal Auditor referring to the criteria set out in the paper.

The Committee members and GCRB Executive provided responses in relation to these criteria.

12.2 Decision

The Committee:

- **considered** the Internal Auditor's performance against the key requirements of the role;
- **agreed** to provide feedback to the Internal Auditor.

13. Colleges Arm's Length Foundations Briefing

Paper No: AC2-G

13.1 Discussion

The Finance and Resources Director provided an overview of the report which he noted had been prepared further to the Committee's request at their last meeting.

The Committee discussed the potential risks of colleges relying on this income as part of their operating budget.

13.2 Decision

The Committee **noted** the paper.

14. Updates from Assigned College Audit Committees

Paper No: AC2-H

14.1 Discussion

The Executive Director presented the paper noting it as a helpful report which provides assurance to GCRB on matters that are being considered at college level.

14.2 Decision

The Committee **noted** the report.

15. Risk Register Development

Paper No: AC2-I

15.1 Discussion

The Executive Director presented the paper noting that the Board has overall responsibility for the GCRB risk register, however the Audit Committee has a role to advise on process in relation to risk.

In that context, he asked the Committee to endorse the recommendation to the Board the suggestion of a facilitated workshop to undertake a review of the current risk register.

15.2 Decision

The Committee **agreed to recommend** to the GCRB Board that a workshop is organised in for Board members to undertake a review of risks and the inclusion of these within the current GCRB Risk Register.

16. Review of Assigned College Risk Registers

Paper No: AC2-J

16.1 Discussion

The Finance and Resources Director presented the review of assigned college risk registers noting that the format of the report had been updated, further to feedback at the last Committee meeting, to include medium rated risks and also to show where risks have increasing or decreased in score.

16.2 Decision

The Committee **noted** that:

- the risk registers of the assigned colleges were considered by the Audit Committees of the colleges and have been reviewed by the Finance & Resources Director;
- there has been an increase in the number of high risks identified by the colleges and in particular those relating to financial risks; and
- There has been a significant increase in the number of high risks identified by Glasgow Kelvin College.

17. Long Term Agenda

Paper No: AC2-K

17.1 Decision

It was **agreed** to add the governance mapping paper to the agenda for the March Committee meeting.

18. Date of Next Meeting

Paper No: Verbal

18.1 Decision

The date of the next meeting of the Audit Committee was **agreed** as 17 January 2019.

The External Auditor also noted that he will be sending an invitation to Committee members to attend a non-executive forum event on 13 March should they be available to attend.