

Draft Minute of the Audit and Assurance Committee meeting held on Tuesday 31 May 2022

Present	
Paul Buchanan (Chair)	Alastair Milloy
Helyn Gould	Edward McGrachen
In Attendance	
Martin Boyle (Executive Director)	Stuart Inglis (Henderson Loggie)
Gary Devlin (External Auditor)	Sam Johnston (Azets)
Jim Godfrey (Finance and Resources Director)	Marianne Philp (Interim Board Secretary)
	Wendy Odedina (Executive Assistant)
Apologies	
David Archibald (Internal Auditor)	

1. Introduction and Welcome

Paper Number: Verbal

1.1 Discussion

The Chair welcomed members and attendees to the meeting.

2. Apologies

Paper Number: Verbal

2.1 Discussion

Apologies were noted for David Archibald.

3. Declarations of Interest

Paper Number: Verbal

3.1 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.

4. Chair's Business

Paper Number: Verbal

4.1 Discussion

The Chair advised that he had attended the following meetings in his capacity as Audit and Assurance Committee Chair, since the last meeting of the Committee:

- Board meeting;
- Skills workshop
- Committee chairs
- 1-1 with Board Chair

5. Minute of the Committee meeting held on 15 March

Paper Number: AAC4-A

5.1 Decision

The minute of the previous meeting was **agreed** as an accurate record, subject to minor clarification on a paper number.

6. Implementation of Internal Audit Recommendations

Paper Number: AAC4-B

6.1 Discussion

The Finance and Resources Director presented the paper on progress of internal audit recommendations. He noted that a meeting had been held with the internal auditor and proposed changes to audit recommendations have been proposed.

The committee welcomed the level of detail in the paper in helping to explain some of the complexities. They discussed the overarching objectives and these being difficult to manage without specific targets. The Executive Director noted that the broad nature of some of the recommendations has had an impact on this however we would endeavour to provide more accurate targets where he deems it possible to do so.

The committee discussed the need for increased collaborative working across the region and the Executive Director noted that a report will be produced for the Performance and Resources Committee on this matter and an update on the regional review will be presented to the next board meeting.

6.2 Decision

The Committee **noted** the progress made to implement the recommendations of previous Internal Audit reports, including updates agreed with Internal Auditor.

7. Internal Audit Report – GCRB specific governance

Paper Number: AAC4-C

7.1 Discussion

The internal auditor presented the report which he noted considered reporting lines between GCRB and the assigned colleges. He noted that the overall assessment is that this requires improvement. He outlined the recommendations of reconsidering the Memorandum of Understanding to agree a protocol for reporting and reviewing the Financial Memorandum between GCRB and the colleges to explicitly state responsibilities, and to align this with the Audit and Assurance Committee terms of reference.

The Committee welcomed the report and the strengthening of reporting lines to address lessons learned from previous experience. The committee has some concern around the enforceability of the Memorandum of Understanding whilst accepting it was still a useful exercise to undertaken.

The Finance and Resources Director noted that there is some work to be undertaken with the SFC with regard to ascertain how and if changes can be made to the financial memorandum and he will endeavour to provide an update on this to the October meeting of the Committee.

7.2 Decision

The Committee **noted** the Internal Audit report on GCRB organisation specific governance. It was **agreed** to provide a report on progress to the October meeting of the committee.

8. Internal Audit Progress Report

Paper Number: AAC4-D

8.1 Discussion

The internal auditor presented the paper setting out the timeline for work being undertaken throughout the year. He confirmed that all items will be completed in time for the year-end report.

8.2 Decision

The Committee **noted** the progress of the Internal Audit programme at 31 May 2022.

9. External Audit Plan

Paper Number: AAC4-E

9.1 Discussion

The external auditors provided an overview of the report on the external audit plan noting this is their final year as GCRB's external auditors. They confirmed that effective hand over arrangements will be put in place with the new external audit team from Audit Scotland.

They confirmed the risks associated with the financial statements that will be reviewed in line with audit standards. They also confirmed the issues that will be covered in the wider scope. They also confirmed the 2% increase in the audit fee.

9.2 Decision

The Committee **noted** the external audit plan for 2021-22 and noted the proposed increase in the external audit fee £27,100

10. City of Glasgow College Fraud

Paper Number: Verbal

10.1 Discussion

The Executive Director provided a verbal update noting the status of the lessons learned document being produced by the college.

10.2 Decision

The Committee **noted** the verbal update.

11. Annual Report on Compliance with Code of Good Governance

Paper Number: AAC4-F

11.1 Discussion

The interim board secretary presented the paper confirming that there are no matters of non-compliance to report.

11.2 Decision

The Committee considered the report and **agreed** the statement to be included in the Corporate Governance Statement in the Annual Report.

12. Annual Report on Compliance with Audit Handbook

Paper Number: AAC4-G

12.1 Discussion

The Finance and Resources Director presented the report noting no significant changes or amendments from previous years, only some minor updates.

12.2 Decision

The Committee **noted** the report.

13. Annual Report on Whistleblowing and Fraud

Paper Number: AAC4-H

13.1 Discussion

The Finance and Resources Director presented the report confirming no matters to bring to the attention of the committee.

Clarification was sought with regard to whether this report was for the region or GCRB alone. It was confirmed that this is a GCRB report and that no reports have been received from the colleges with regard to whistleblowing. The Executive agreed to review and confirm this position and bring forward any updates as necessary.

13.2 Decision

The Committee **noted** the report.

14. Certificates of Assurance

Paper Number: AAC4-I

14.1 Discussion

The Executive Director provided copy of the region's Certificates of Assurance to the committee for information.

14.2 Decision

The Committee **noted** the Glasgow college region Certificates of Assurances and their submission to Scottish Funding Council.

15. Updates from Assigned College Audit Committees

Paper Number: AAC4-J

15.1 Discussion

The Executive Director presented the paper noting that no report had been provided from City of Glasgow College due them not having had a meeting before this paper was due for circulation.

15.2 Decision

The Committee **noted** this report and the audit updates provided by the assigned Glasgow colleges.

16. Review of Assigned College Risk Registers

Paper Number: AAC4-K

16.1 Discussion

The Finance and Resources Director presented the paper which he notes provides the headline risks from across the colleges. He confirmed that behind this paper he has further detail which he summarises for the committee to highlight emerging issues.

The Committee discussed the risks around financial sustainability and cyber security and their desire for more assurance on these items at a regional level.

The Finance and Resources Director explained the levels of risk monitoring at college level, college board level, college internal audit processes and through to GCRB and the degree to which GCRB places reliance upon the internal controls within the assigned colleges.

16.2 Decision

The Committee **noted**:

- The risk registers of the assigned colleges were considered by the Audit Committees of the colleges.
- The latest risk registers of the three colleges have been provided to, and reviewed by, the GCRB Finance & Resources Director.
- Across the college region, the evaluation of several risks has decreased but there is no common theme across the colleges.
- Overall, it may be concluded that there has been a slight reduction in the evaluation of risks faced by the colleges.

The committee **requested** that the Executive consider the comments raised by the committee with regard to assurance and consider ways to address moving forward.

17. Long Term Agenda

Paper Number: AAC4-L

17.1 Decision

The Committee **agreed** the long-term agenda noting that they would like the review of the value for money to consider the whole region, and for the executive to consider the comments around risk for the region from a strategic point of view.

18. Review of Disclosable Status

Paper Number: Verbal

18.1 Decision

The Interim Board Secretary confirmed that the status of the papers was as stated on the cover pages.

19. Date of Next Meeting

Paper Number: Verbal

19.1 Decision

The Committee Chair noted that the calendar of meetings for 2022-23 would be agreed at the June Board Meeting.

The GCRB Executive and Committee members wished to put on record their thanks to the committee chair with this being his last committee meeting before his tenure ends.