

## Draft Minute of Audit Committee Meeting held on Monday 15 May 2017

<b>Present</b>	
Paul Buchanan (Chair)	Maureen McKenna
Caroline MacDonald	Mike Ward
<b>In Attendance</b>	
Robin Ashton (Executive Director)	David Archibald (Henderson Loggie)
Wendy Odedina (Executive Assistant)	Gary Devlin (Scott-Moncrieff)
<b>Apologies</b>	
Grahame Smith	

### 1. Introduction and Welcome

Paper No: Verbal

#### 1.1 Discussion

The Chair welcomed members and attendees to the meeting.

### 2. Apologies

Paper No: Verbal

#### 2.1 Decision

Apologies were received from Grahame Smith.

### 3. Declarations of Interest

Paper No: 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 No: Verbal

#### 4.1 Discussion

The Chair noted that a joint meeting between the GCRB Audit Committee and the Audit Committees of the three assigned colleges had taken place on Friday 5 May. The Committee received a paper which provided a summary of the workshop aims and outcomes. Members noted that this had been a constructive and positive meeting and welcomed similar events taking place in the future.

## 5. Minute of the Committee Meeting held on Monday 20 February 2017

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Paper No: AC4-A

### 5.1 Decision

The minute of the meeting held on Monday 20 February was **agreed** as a true record.

## 6. Committee Terms of Reference

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Paper No: AC4-B

### 6.1 Discussion

The Committee received an updated terms of reference further to recommendations arising from the internal audit report on compliance with the financial memorandum.

### 6.2 Decision

The Committee:

- **agreed to recommend** to the Board the revised terms of reference for the Audit Committee; and
- **agreed to recommend** to the Board that it undertakes the external review of governance at the start of the next academic session.

## 7. External Audit Approach Plan

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Paper No: AC4-C

### 7.1 Discussion

The External Auditor provided an overview of the external audit approach plan which he noted had been updated to take account of the Board's decision to consolidate the accounts for the Glasgow region.

### 7.2 Decision

The Committee **noted** the external audit approach plan.

## 8. External Audit Recommendations

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Paper No: AC4-D

### 8.1 Discussion

The Executive Director provided an update on actions taken to implement the recommendations from external audit. These concerned employment arrangements and service level agreements.

## 8.2 Decision

The Committee noted the report.

It was **agreed** that moving forward this report should provide more clarity on progress against actions and due dates for completion.

## 9. Accounts Consolidation

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Paper No: AC4-E

### 9.1 Discussion

The Executive Director spoke to the update paper which noted that work was underway between GCRB and the colleges to plan for consolidation of accounts and that an action plan will be brought together in due course.

### 9.2 Decision

The Committee **noted** the accounts consolidation update report.

It was **agreed** that should any issues arise between now and the next Committee meeting, these should be flagged to the Audit Committee Chair.

It was **agreed** that a report on progress against the consolidation action plan should be provided to the next meeting of the Committee.

## 10. Internal Audit Report – Review of Risk Management

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Paper No: AC4-F

### 10.1 Discussion

The Internal Auditor provided an overview of the report on the review of risk management. He summarised the objectives and identified areas of strength and areas for improvement.

It was noted that 4 recommendations had been identified which have been agreed with the GCRB Executive. One of these will be addressed through the GCRB risk workshop which is scheduled for the start of June.

### 10.2 Decision

The Committee **noted** the internal audit report on the review of risk management.

## 11. Internal Audit Report - Compliance with Financial Memorandum

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Paper No: AC4-G

### 11.1 Discussion

The Internal Auditor provided an overview of the report on compliance with the Financial Memorandum. He summarised the objectives and identified areas of strength and areas for improvement.

It was noted that 11 recommendations had been identified which have been agreed with the GCRB Executive.

### 11.2 Decision

The Committee **noted** the internal audit report on compliance with the financial memorandum.

It was **agreed** that GCRB should write to the assigned colleges summarising the report and highlighting the assurances required from the assigned colleges.

## 12. Internal Audit Recommendations

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Paper No: AC4-H

### 12.1 Discussion

The Executive Director provided an update on actions taken to implement the recommendations from internal audit.

He noted that it is expected that all recommendations will be closed off by July 2017.

### 12.2 Decision

The Committee noted the report.

Similarly to the external audit action plan, it was **agreed** that moving forward this report should provide more clarity on progress against actions and due dates for completion.

## 13. Internal Audit Progress Report

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Paper No: AC4-I

### 13.1 Discussion

The Internal Auditor provided an overview of the paper which set out the planned internal audit activities for the current session noting that this is on track against agreed timescales.

### 13.2 Decision

The Committee noted the internal audit progress report.

## 14. Compliance with Code of Good Governance for Scotland's Colleges

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Paper No: AC4-J

### 14.1 Discussion

The Executive Director provided an overview of the paper which highlighted one area of non-compliance with the Code of Good Governance. This issue had been identified by the Nominations and Remuneration Committee who requested that this be brought to the attention of the Audit Committee.

### 14.2 Decision

The Committee **noted** the report and agreed that the area of non-compliance was not a significant risk.

It was **agreed** that an explanatory note should be added to the annual report and accounts.

## 15. Anti-Bribery Policy

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Paper No: AC4-K

### 15.1 Discussion

The Committee received the draft Anti-Bribery Policy.

### 15.2 Decision

The Committee **agreed** to **recommend** the Anti-Bribery Policy to the Board for approval.

## 16. Update from Assigned College Audit Committees

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Paper No: AC4-L

### 16.1 Discussion

The Committee received the report which provided updates from the most recent meetings of the assigned college audit committees, including a summary of potential impacts on GCRB.

### 16.2 Decision

The Committee **noted** the update report from assigned college audit committees.

## 17. Whistleblowing and Fraud

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Paper No: AC4-M

### 17.1 Discussion

The Executive Director noted that no incidents of whistleblowing or fraud had been reported.

### 17.2 Decision

The Committee **noted** the report.

It was **agreed** that the Executive Director should review the whistleblowing policy with regard to the relationship with the assigned colleges and report on this at a future meeting of the Committee.

## 18. Long Term Agenda

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Paper No: AC4-N

### 18.1 Decision

The Committee agreed to add the following items to the long term agenda:

- Accounts consolidation action plan – October 2017
- Outcome of risk workshop – October 2017

## 19. Date of Next Meeting

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Paper No: Verbal

### 19.1 Decision

The date of the next meeting of the Audit Committee was **agreed** as October 2017.

It was noted that an additional meeting may be required before this date.