
Audit Committee Meeting

Date of Meeting	Monday 12 December 2016
Paper Title	Updates from assigned college audit committees
Agenda Item	15
Paper Number	AC2-J
Responsible Officer	Robin Ashton, Executive Director
Status	Disclosable
Action	For noting

1. Report Purpose

- 1.1. Consider updates on key items of business undertaken by the audit committees of the assigned colleges.

2. Recommendations

- 2.1. The Committee is invited to **note** this report.

3. Background

- 3.1. The Committee has requested that it receive updates from the audit committees of the assigned colleges on key matters considered at each of their meetings, in order to support identification of opportunities for cross-region collaboration in areas of shared interest.

4. Risk Analysis, legal implications, financial implications and Regional Outcome Agreement implications

- 4.1. Other than as reported, there are no specific aspects to be considered under these headings.

5. Matters Discussed

5.1 City of Glasgow College - 28 November 2016

Topic of Discussion	Outcome of Discussion	Impact on GCRB (if any)
Annual Report and Accounts 2015-16	Recommending Board approval	NONE
Risk Management Policy Review	Approved	NONE
Strategic Risk Review	Approved	NONE
Internal Audit Review Reports	Approved	NONE
FES Return Audit 2015-16	Approved	NONE
External Audit Annual Report External	Approved	NONE
Audit Management Letter	Approved	NONE
Internal Audit Annual Report 2015-16	Noted	NONE
Annual Internal Audit Plan	Progress noted	NONE

5.2 Glasgow Clyde College – 7 December 2016

Topic of Discussion	Summary and Outcome of Discussion	Impact on GCRB (if any)
Draft Financial Statements to July 2016	Small operating surplus of £38k, adjusted to £1.052M deficit after use of depreciation cash and accounting adjustments. Unqualified audit opinion. Corporate	Note progress on corporate governance and compliance with related Code from

	Governance Statement states full compliance with Code of Good Governance for Scotland's Colleges since new Board in place from 8 th October 2015. The statements were recommended for submission to the Board.	October 2015.
Annual External Audit Report for year to July 2016	Wylie and Bisset report following their external audit. The report makes no new recommendations for 2015/16 and notes most areas from 2014/15 now progressed with two recommendations from that report remaining to be fully implemented.	Unqualified audit opinion and note Governance procedures improved substantially since October 2015.
2015/16 Student Activity Data Audit	College audited position was delivery of credits of 128,872 against target of 128,044 including ESF. Report had one medium level recommendation.	
2015/16 Student Support Funds Audit	Audit of bursary, further education discretionary, childcare, and higher education discretionary funding which total £9.3 Million for the College. Wylie and Bisset satisfied that the systems and controls for the funds are adequate. There is one medium level recommendation and three low level recommendations	
2015/16 Education Maintenance Allowance Audit	Audit of education maintenance allowance funding which are claimed retrospectively from SFC based on actual sums to students. Wylie and Bisset satisfied that the systems and controls for the funds are adequate. There is one medium level recommendation and two low level recommendations	
Certificate of Assurance	Proposal for Certificates of Assurance to be completed by members of Senior Management Team. Timescale is for SFC financial year end and expect to be completed by May.	
Annual Report from the Audit Committee to the Board of Management	Drafted Annual Report from the Committee which was discussed and approved for submission to the Board.	
Internal and External Audit Rolling Action Plan	Regular update report on implementation of previous internal and external audit recommendations.	

Risk Register	Regular reporting of College Strategic Risk Register	
Letter from GCRB – Consolidated Accounts	Letter from Chair of GCRB Audit Committee on potential consolidation of accounts which was discussed.	Future update on position for 2016/17 financial statements once known.

5.3 Glasgow Kelvin College - 6 December 2016

Topic of Discussion	Summary and Outcome of Discussion	Impact on GCRB (if any)
Letter from GCRB Audit Committee Chair regarding consolidation of accounts.	Consolidation not welcome due to opportunity cost and audit fee associated with it. Audit & Risk Committee agreed that GCRB should continue to work with External Audit, the Auditor General and SFC to seek to avoid this unnecessary additional cost.	GCRB requested to seek to avoid the need to consolidate accounts.
Glasgow Kelvin College Annual Report and Accounts for session 2015/16.	Committee pleased with College performance in respect of learning and teaching, estates and financial results. Draft accounts endorsed.	GCRB to consider College accounts in due course.
External Audit Management Letter.	External Auditor presented a positive report on the annual report and accounts and the College's current financial position.	
Student Activity Audit session 2015/16.	Positive report which provided a copy of the audit certificate confirming the College exceeded its core and ESF activity target. No errors in the data were identified by the Auditor.	Note the Glasgow Kelvin College exceeded its activity target set in the ROA.
Student Funds Audit.	Positive report presented by the Internal Auditor.	
Annual Audit Report.	Committee endorsed the Annual Audit Report which will be submitted to the SFC in December. This incorporates the Internal Audit Annual Report, the	GCRB may wish to consider this report once approved by the College Board of

	External Audit Management Letter and Student Activity Audit. It summarises the work of the Audit & Risk Committee during session 2015/16 and makes a positive conclusion.	Management.
Corporate Governance	The committee endorsed the College's approach to implementing the revised Governance Code and how it will comply with the new requirement to have its Governance Arrangements externally reviewed by the end of March 2016. A Conflict of Interest Policy and the Code of Conduct Policy were reviewed and endorsed.	Note Glasgow Kelvin College has plans in place to ensure its Governance is externally reviewed by 31 March 2017 as required by the Code of Good Governance.
Student Activity Guidance	The Committee reviewed a detailed report on the Student Activity Guidance outlining the College approach to this and the 'one plus / additionality' issue which has been raised with the Outcome Agreement Manager.	Note the College has considered the Student Activity Guidance in detail.
Audit Action Plan	The Audit Action Plan was reviewed and the strong progress in implementing audit recommendations welcomed.	Note College Audit & Risk Committee is actively reviewing audit recommendations and management are implementing these.
Risk Management	Risk appetite workshop held prior to Audit & Risk Committee meeting. The College Risk Appetite was discussed and is to be further progressed at the next meeting of the Committee.	Glasgow Kelvin College will seek to align its Risk Appetite grading model with that of GCRB.