

**Draft Minute of the Audit Committee meeting held on Thursday 17 January 2019**

<b>Present</b>	
Mike Ward (Chair)	Edward McGrachen
Maureen McKenna	
Robin Ashton (Executive Director)	Penny Davis (Board Secretary)
Jim Godfrey (Finance and Resources Director)	Gary Devlin (Scott-Moncrieff)
Claire McTaggart (Scott-Moncrieff)	
<b>Apologies</b>	
Paul Buchanan	

**1. Introduction and Welcome**

---

Paper Number: Verbal

**1.1 Discussion**

Mike Ward had agreed to act as Committee Chair in Paul Buchanan’s absence. He welcomed those present to the meeting.

**2. Apologies**

---

Paper Number: Verbal

**2.1 Discussion**

Apologies had been received from Paul Buchanan.

It was noted that the Internal Auditor was not in attendance and that the Finance and Resources Director would present the paper on the Assigned Colleges’ Internal Audit Reports.

**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.

It was noted that the External Auditors would withdraw for item 9, Review of Effectiveness of External Auditors.

## 4. Chair's Business

---

Paper Number: Verbal

### 4.1 Discussion

Noting that the last meeting had been held on 18 December 2018, the Chair advised that there was no business to report.

## 5. Minutes of Committee Meeting held on Tuesday 18 December 2018

---

Paper Number: AC3-A

### 5.1 Discussion

The minutes of the meeting held on 18 December 2018 were approved as an accurate record.

It was noted that actions, including the recommendation to hold a funding workshop, were being progressed.

## 6. Review of Letter of Representation

---

Paper Number: AC3-B

### 6.1 Discussion

The External Auditor presented the paper.

Members of the Committee confirmed that they were not aware of any matters that should be brought to the External Auditor's attention in relation to the Letter of Representation.

### 6.2 Decision

The Committee agreed to recommend that the letter be signed by the Chair on behalf of Board at its next meeting.

## 7. External Audit Annual Report 2017-18

---

Paper Number: AC3-C

### 7.1 Discussion

The External Auditor presented the report, noting that it would be published in due course on the Auditor General's website.

The External Auditor advised that he intended to provide an unqualified audit opinion on the accounts, regularity and other prescribed matters. He noted that these were the first consolidated accounts for the Glasgow Region, and reported that they were of a high standard.

Members discussed the External Auditor's report, noting:

- the strong progress made across all areas, and potential for further progress;

- the challenging funding environment and the respective roles of Scottish Government, SFC, GCRB and the Assigned Colleges in relating to funding and achieving efficiencies and value for money;
- that the GCRB Executive had an ongoing dialogue with the SFC and continued to develop complementary approaches;
- that there would be an opportunity for the Board to discuss the funding model and related matters at its forthcoming funding workshop.

## 7.2 Decision

Members agreed that the “key fact” contained in the report referring to a 36% increase in GCRB expenditure should be contextualised to highlight that this was further to the award of fully operational funding body status, that it was still significantly below the level of funds estimated by the Scottish Government when it was establishing Regional Strategic Bodies, and that it represented an increase to around 0.25% of the Glasgow regional budget. The External Auditor agreed to make this change for clarification purposes.

## 8. Annual Report and Accounts 2017-18

---

Paper Number: AC3-D

### 8.1 Discussion

The Finance & Resources Director presented the paper, noting that draft accounts had been presented to the last meetings of both Audit and Performance & Resources Committees for discussion and feedback. Minor changes had been made since that time while concluding the process with the External Auditors.

### 8.2 Decision

The Committee was satisfied that there were no matters from its perspective that would prevent the accounts from being approved, and that it would be appropriate for the accounts to be prepared on a going concern basis and presented to the Board for final approval.

## 9. Review of Effectiveness of External Auditors

---

Paper Number: AC3-E

### 9.1 Discussion

The External Auditors left the meeting for this item.

The Board Secretary presented a paper providing a basis on which to assess the performance of the External Auditors.

Members discussed and agreed feedback to be provided to the External Auditor.

### 9.2 Decision

It was agreed that the acting Committee Chair would report on the discussion to the Committee Chair, who would then feed back to the External Auditors.

## **10. Internal Audit Report – Assigned Colleges 2017-18**

---

Paper Number: AC3-F

### **10.1 Discussion**

The Finance & Resources Director presented the report in the absence of the Internal Auditor.

### **10.2 Decision**

The Committee noted the report and the assurances of Internal Auditor on the annual Internal Audit Reports of the Assigned Colleges.

## **11. GCRB Audit Committee Annual Report**

---

Paper Number: AC3-G

### **11.1 Discussion**

The Finance and Resources Director presented the report.

The Committee considered the report and was content that it reflected its activity during the past year and priorities for the year ahead.

### **11.2 Decision**

It was agreed that the Annual Report would be presented to the next meeting of the Board.

## **12. Review of Committee Effectiveness**

---

Paper Number: AC3-H

### **12.1 Discussion**

The Board Secretary presented the paper.

Members discussed the performance of the Chair.

### **12.2 Decision**

It was agreed that the acting Committee Chair would feed back to the Committee Chair, and to the Chair of the Board for the purpose of incorporating feedback into the Committee Chair's individual performance review.

## **13. Review of Committee Terms of Reference**

---

Paper Number: AC3-I

### **13.1 Discussion**

The Board Secretary presented a paper requesting that the Committee consider its terms of reference and whether these continue to reflect its activity.

The External Auditor advised that revisions made to the Audit Committee Handbook in 2018 might have implications for the terms of reference.

### **13.2 Decision**

A minor amendment suggested in the paper was agreed.

The Committee agreed that a further review of the Terms of Reference against the revised Audit Committee Handbook should be carried out and a report brought to the next meeting of the Committee.

### **14. Date of Next Meeting**

---

Paper Number: Verbal

The next meeting of the Committee will be held on Tuesday 5 March 2019.