

DRAFT Minute of the Audit & Assurance Committee meeting held on Tuesday 8 October 2019

Present	
Paul Buchanan (Chair)	Edward McGrachen
David Archibald (Internal Auditor)	Jim Godfrey (Finance and Resources Director)
Penny Davis (Board Secretary)	Mairead Wood (Data Protection Officer), for item 11
Apologies	
Maureen McKenna	Alastair Milloy
Gary Devlin (External Auditor)	

1. Introduction and Welcome

Paper Number: Verbal

1.1 Discussion

The Chair welcomed members to the meeting.

2. Apologies

Paper Number: Verbal

2.1 Discussion

Apologies had been received from Maureen McKenna and Gary Devlin.

It was noted that Alastair Milloy would be joining the Audit and Assurance Committee, subject to approval of revised Committee membership by the Board on 28 October, and had been invited to attend this meeting but had not been available.

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:

- Board Strategy Event, 26 August
- Audit Planning meeting with Internal Auditor, 29 September
- SFC Self-Evaluation Meeting, 3 October

The Chair informed Members that he would be serving on the panel for the recruitment of a new Executive Director and had also taken part in initial discussions in that capacity.

5. Minutes of Committee Meeting held on 17 January 2019

Paper Number: AC1-A

5.1 Discussion

The minutes of the meeting held on 28 May 2019 were approved as an accurate record.

6. External Audit & Accounts

Implementation of External Audit Recommendations

Paper Number: AC1-B

6.1 Discussion

The Interim Executive Director (Director of Finance & Resources) presented the paper, reporting that action against the four recommendations was now complete.

6.2 Decision

The Committee **noted** the report.

7. Internal Audit:

Follow-up Reviews 2018-19

Paper Number: AC1-C

7.1 Discussion

The Interim Executive Director presented the paper, reporting that all recommendations had been fully implemented and there remained no outstanding Internal Audit recommendations for 2018-19.

7.2 Decision

The Committee **noted** the report.

Audit Plan 2019-20

Paper Number: AC1-D

7.3 Discussion

The Interim Executive Director presented the paper, noting that 2019-20 would be the first year of a three year audit plan. He highlighted four areas of focus for 2019-20:

- Glasgow Region Risk Management
- Shared Services
- Collaborative Training Provision Business Process Review
- Follow-up Reviews

7.4 Decision

The Committee:

- **approved** the audit plan for 2019-20
- **noted** that the three-year plan provided appropriate internal audit coverage;
- **noted** that the Internal Auditor would confirm 2019-20 timings at the next meeting.

Internal Audit Scope – Monitoring of Target Student Numbers

Paper Number: AC1-E

7.5 Discussion

The Interim Executive Director presented the paper, advising that a review of the effectiveness of governance arrangements in relation to FES data would be presented to the next meeting of the Committee.

The Committee discussed:

- the significance of the consistency of data and reporting of data across the college region;
- the need for reports to the Committee to provide a clear line of sight into relevant data, to identify significant variances, interpret trends, and provide scope for efficiency;
- the caveat of GCRB's limited resources in terms of data analysis.

7.6 Decision

The Committee **noted** that it would receive a review report at its next meeting.

8. Accounts Direction 2018-19

Paper Number: AC4-F

8.1 Discussion

The Interim Executive Director presented the Accounts Direction for 2018-19 reporting, which had been received from the Funding Council.

The Committee discussed the paper and the challenging timescale to prepare accounts at both college and regional level.

8.2 Decision

The Committee **noted** the Accounts Direction for 2018-19.

9. Good Practice Note on the Annual Report and Accounts (Governance)

Paper Number: AC1-G

9.1 Discussion

The Interim Executive Director presented the Good Practice Note which had been published by Audit Scotland further to its review of annual reporting.

The Committee discussed aspects of the guidance, including:

- the emphasis on clear and succinct reporting;
- the opportunity to draw out key strategic themes through cross-referencing between sections of the annual report.

9.2 Decision

The Committee:

- **noted** the Good Practice Note on the Annual Report and Accounts:
- **requested** that the GCRB Executive have regard to the Note in preparing the annual report for GCRB.

10. Systems of Internal Control – Annual Review

Paper Number: AC1-H

10.1 Discussion

The Interim Executive Director presented the report, advising the Committee that no areas had been identified where action was required.

10.2 Decision

The Committee **approved** the Annual Review of Systems of Internal Control.

11. GDPR – Annual Review

Paper Number: AC1-I

11.1 Discussion

The Data Protection Officer presented the report, outlining actions required to ensure compliance with GDPR and completion status. Actions were either complete or in train and no significant concerns were highlighted. She confirmed that Colleges were individually responsible for their compliance with GDPR.

The Committee discussed aspects of the report, including:

- the complexities arising from GCRB's reliance on data held by colleges and the Funding Council, while GCRB itself held a very limited range of personal data;

- the importance of clear and compliant terms to be agreed for the sharing of data where this was justified by the organisation's statutory purpose;
- the need to ensure that Data Protection Impact Assessments were implemented where necessary going forward.

11.2 Decision

The Committee:

- **noted** the Annual Review of GDPR;
- **requested** further information be brought to a future meeting on the requirement for and, as appropriate, progress with establishing data sharing agreements with the Funding Council and Assigned Colleges.

12. Anti-Fraud Policy - Review

Paper Number: AC1-J

12.1 Discussion

The Interim Executive Director presented the Anti-Fraud Policy for the Committee's consideration and agreement.

12.2 Decision

The Committee **agreed** the policy for submission to the Board for approval at its next meeting.

13. Anti-Bribery Policy - Review

Paper Number: AC1-K

13.1 Discussion

The Interim Executive Director presented the Anti-Bribery Policy for the Committee's consideration and agreement.

13.2 Decision

The Committee **agreed** the policy for submission to the Board for approval at its next meeting.

14. Data Protection Policy

Paper Number: AC1-L

14.1 Discussion

The Board Secretary presented the Data Protection Policy, which had been drafted by the Data Protection Officer, for Committee approval.

14.2 Decision

The Committee **approved** the policy.

15. Value for Money Strategy – Annual Review

Paper Number: AC1-M

15.1 Discussion

The Interim Executive Director presented the strategy and invited comment from Committee Members.

The Committee discussed:

- GCRB's role and statutory powers in relation to value for money within the college region;
- the importance of a collaborative approach and the potential to review through audit planning;
- the importance of consistent and effective functioning of procurement services in achieving value for money.

15.2 Decision

The Committee **noted** the report.

16. Institutional Efficiency Returns

Paper Number: AC1-N

16.1 Discussion

The Interim Executive Director presented the report, advising the Committee that consolidated returns had been submitted to the Funding Council.

16.2 Decision

The Committee **noted** the report.

17. Updates from Assigned College Audit Committees

Paper Number: AC1-O

17.1 Discussion

The Interim Executive Director presented updates from meetings of Assigned College audit committees.

The Committee discussed the information provided and the Colleges' approaches to the financial challenges facing the sector.

11.3 Decision

The Committee **noted** the report.

18. Review of Assigned College Risk Registers

Paper Number: AC1-P

18.1 Discussion

The Interim Executive Director presented a report on key risks identified by the Assigned Colleges.

The Committee Chair outlined for the information of those present a discussion at the recent Performance and Resources Committee on the subject of financial sustainability, including the role of arms-length foundations, the resources of which were diminishing.

18.2 Decision

The Committee **noted** the report.

19. Internal Audit Report – City of Glasgow College

Verbal

19.1 Discussion

The Executive Director provided an update on the status of developments in respect of the alleged fraud at City of Glasgow College, advising the Committee that the College Audit Committee and Board would consider a final audit report in November, after which the report would be shared with GCRB.

The Committee discussed:

- the need for GCRB to keep risks, including reputational risks, under review;
- disclosure requirements, including a statement in the annual accounts which would be published.

19.2 Decision

The Committee **noted** the update.

20. Long Term Agenda

Paper Number: AC1-Q

20.1 Decision

The Committee **noted** that the December meeting had been moved to January to accommodate annual accounts preparation and reporting. The December date was still being held as a provisional meeting date.

21. Date of Next Meeting

Tuesday 14 January 2020