

Draft Minute of the Audit and Assurance Committee meeting held on Tuesday 26 March 2024

Present	
Edward McGrachan (Chair)	Helyn Gould
Alastair Milloy	
In Attendance	
Martin Boyle (Executive Director)	Stuart Inglis (Internal Auditor)
Penny Davis (Board Secretary)	Mark Laird (External Auditor)
Jim Godfrey (Finance and Resources Director)	Wendy Odedina (Executive Assistant)
Dr Mairead Wood (HEFESTS)	

1. Introduction and Welcome

Paper Number: Verbal

1.1 Discussion

The Chair welcomed members and attendees to the meeting, noting that Stuart Inglis from Henderson Loggie was attending in place of David Archibald.

The Chair welcomed Dr Mairead Wood. It was noted that the annual report on GDPR was due to be presented to the May meeting of the committee, however Dr Wood is moving on from her current post and therefore has been asked to attend the meeting today to provide a verbal update on GDPR for GCRB. He noted that this was an additional agenda and requested that this be taken at the start of the meeting.

Dr Wood provide a verbal report to the committee, noting updates to GDPR legislation, providing assurance on GCRB's policies and procedures, and confirming there had been no data subject access reports or breaches to report.

She referred to the training for board members conducted on 29 January, confirming that the guide for board members on the use of personal email accounts will be distributed following this meeting. She confirmed that her written report would be submitted to GCRB before she finishes in post.

Members welcomed the verbal report. They discussed the use of AI tools and personal data within this, and Dr Wood agreed to circulate additional guidance on these matters.

1.2 Decision

Members **noted** the verbal report on GDPR and wished to put on record their thanks to Dr Wood for her work in supporting GCRB.

2. Apologies

Paper Number: Verbal

2.1 Discussion

There were no apologies to record.

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:

- January board meeting
- Committee chairs meeting
- Board chair 1-1 evaluation meeting
- Planning meeting with Internal Auditor.

The Chair reminded members to please complete the board effectiveness survey, on BoardEffect, by deadline of Thursday 28 March.

5. Minute of the Committee meeting held on 16 January 2024

Paper Number: AAC3-A

5.1 Decision

The minute of the previous meeting was **agreed** as an accurate record.

6. Implementation of Internal Audit Recommendations

Paper Number: AAC3-B

6.1 Discussion

The Executive Director provided an update on progress against actions of the previous internal audit recommendations.

Members discussed timescales and it was noted that the action with regard to the financial memorandum is dependent on the SFC and timescales may be subject to change. It was also

noted that the session on financial sustainability is currently under discussion with the board Chair.

6.2 Decision

The Committee **noted** the progress made against the previous internal audit recommendations.

7. Internal Audit Plan 2023-24

Paper Number: AAC3-C

7.1 Discussion.

The internal auditor presented the draft internal audit plan for 2023-24 which he noted had been developed in consultation with the Executive Director, Finance and Resources Director and the Audit and Assurance Committee Chair.

He noted that draft scopes and objectives have been developed for the suggested areas of internal work and are presented to the committee for consideration before being finalised. He confirmed that timescales would be developed following approval of the proposed areas of work.

7.2 Decision

The Committee **agreed** the Internal Audit Plan 2023-24.

8. Arms Lengths Foundations

Paper Number: AAC3-D

8.1 Discussion

The Finance and Resources Director presented the report which he noted is provided periodically to the committee for information. He confirmed that the resources left in the college ALFs is reducing and these have historically been used to support colleges in past years. He noted that this report provides useful context and background information with regards to the board's wider considerations on financial sustainability.

8.2 Decision

The Committee **noted** the report on Arm's Length Foundations.

9. Review of GCRB Risk Register

Paper Number: AAC3-E

9.1 Discussion

The Executive Director provided an overview of the report which he explained related to discussions from the January board meeting where the board delegated consideration of additional comments on the risk register to the Audit and Assurance Committee.

He provided his opinion with regard to comments on cause-and-effect statements, black risks and risk appetite scoring.

The committee discussed that they would like to see cause-and-effect captured within the supporting paper on the risk register, rather than the risk register itself. They suggested that high risks be moved to the top of the risk register and are presented to every board meeting, with lesser risks presented on a rolling basis.

They agreed that they did not wish to pursue the inclusion of black risks.

With regard to risk appetite members felt that current risk appetite did not match fully with the current operating environment, and it was suggested that a further session with the internal auditor is convened to consider risk appetite with the full board.

Members noted in particular that the severity of issues on financial sustainability should be strengthened, and that collaborative action is required urgently in this regard.

9.2 Decision

The committee provided **comment** as noted above which will be used to inform the development of the refreshed risk register for the board.

10. Review of College Risk Registers

Paper Number: AAC3-F

10.1 Discussion

The Finance and Resources Director presented the report reminding members that the report is a consolidation of risk registers and does not represent the full risk registers of each college. He confirmed that risks remain high in each college, particularly on financial sustainability and staffing matters.

The committee noted their desire to see meaningful collaboration to address these risks and evidence of action plans to address the future of financial sustainability in the region, impact on learning and teaching and impact on students.

Whilst it was noted that colleges have detailed plans individually to support individual college strategies, members noted their frustration that this is not taking place at a regional level. The Executive Director noted that this is a theme which relates to the regional review and discussions are being had to seek to improve this in whatever structure is in place in the future.

10.2 Decision

The Committee **noted**:

- The latest risk registers of the assigned colleges were recently reviewed 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.

- There has been minimal change to the assessment of risks (in the last two or three months).
- The most significant areas of risk relate to financial sustainability and staffing matters.

The committee **noted** the complexity of current structures, however wished to **note** formally for the record that whilst GCRB is still in place in its current format, concerns remain on regional actions to address risks, and assurance is requested to be provided in this regard.

11. Updates from College Audit Committees

Paper Number: AAC3-G

11.1 Discussion

The Executive Director presented the update from college audit committees. He noted that much of the activity relates to previous discussed items on financial sustainability and staffing matters.

Members queried the circumstances around the removal of the energy efficiency grant at Glasgow Kelvin College and the Executive Director provided an update in this regard. It was noted that impact on GCRB and regional sustainability targets could have been more fully explained in the paper.

11.2 Decision

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

12. Long Term Agenda

Paper Number: AAC3-H

12.1 Decision

The Committee **agreed** the long-term agenda.

The Executive Team were asked to carefully consider the agenda and number of papers for the next meeting of the committee given this is a one-hour meeting of the Audit and Assurance committee and then a joint one-hour session with the Performance and Resources committee on financial sustainability.

13. Review of Disclosable Status

Paper Number: Verbal

13.1 Decision

The Board Secretary confirmed the status of the papers noting the following as non-disclosable:

- AAC3-A minute of previous meeting.

14. Date of Next Meeting

Paper Number: Verbal

14.1 Decision

The date of the next meeting was **confirmed** as 28 May 2024 noting this will also have a cross over meeting with the P&R committee for the second hour of the meeting.