

**NOTES OF THE TENTH MEETING OF THE AUDIT COMMITTEE
HELD ON 6 JULY 2016, BOARDROOM, LANGSIDE CAMPUS**

PRESENT:

Michael Yuille	Committee Chair
Sandra Heidinger	Board Member
Clare Walker	Support Staff Board Member

IN ATTENDANCE:

Janet Thomson	Vice Principal Resources
Tracy Elliott	Director of Finance
Douglas Scott	Wylie and Bisset
Stuart Inglis	Henderson Loggie
Lorraine McGaw	Director of Organisational Development (for item 16.23 only)
Gillian Murray	Clerk to the Board (Minute Taker)

APOLOGIES

Gill Troup	Board Member
Gordon McGuinness	Board Member
Amparo Fortuny	Student Board Member

16.19 WELCOME AND APOLOGIES

M Yuille welcomed everyone to the meeting. Apologies were noted from G Troup, G McGuinness and A Fortuny. It was noted that, despite these apologies, there was still a quorum present.

16.20 DECLARATIONS OF INTEREST

No declarations of interest were received other than S Inglis noting that Henderson Loggie are internal auditors of the Glasgow Colleges Regional Board.

16.21 MINUTES OF MEETING HELD ON 9 MARCH 2016

The Minutes were accepted as a true record of events.

16.22 MATTERS ARISING

Updates were given on all of the matters arising. All matters had been completed with the exception of the following:-

Item 16.07 – Approval of Accounting Policies – the accruals model TE will be recommended to the Board in August.

The Committee discussed risk and M Yuille advised that the College should include Risk as a standing agenda item on the monthly management meetings to ensure that new risks were flagged up and added to the risk register. JT

16.23 INTERNAL AUDIT REPORTS

M Yuille invited S Inglis from Henderson Loggie to speak to the Internal Audit Reports. L McGaw was invited to join the meeting for her input in relation to the Payroll Audit Report.

Payroll – S Inglis spoke to the Report issued with the Agenda, noting that the overall level of assurance was ‘Satisfactory’. He outlined the background to the Report and explained how the audit had been carried out. S Inglis then took the Committee through the Report highlighting the main findings including both strengths and weaknesses.

The Committee then discussed the Report and the Action Plan. Discussion took place around the various recommendations. Of note, the Committee discussed the recommendation for a counter signatory to ensure all ‘Appointments, Transfers and Termination’ Notifications are duly actioned. L McGaw advised that resourcing for this may be an issue but that it was being looked into. T Elliott advised that a pool of people would need to be available to take on this role and that any signatory would need to have sight of supporting paperwork. C Walker noted that this was crucial where staff were covering a line manager role and may not be aware of their obligations when an employee terminates their contract. The Committee discussed this and agreed that line managers and those covering such posts ought to be made aware of the correct procedure to follow when a member of staff leaves.

The Committee also discussed Recommendation 6 relating to the removal of system administrator rights from the staff member also authorised as an iTrent administrator. Discussion took place around the possible risks of fraud and the management response was accepted.

Budgetary Control - S Inglis spoke to the Report issued with the Agenda, noting that the overall level of assurance was ‘Good’. He outlined the background to the Report and explained how the audit had been carried out. S Inglis then took the Committee through the Report highlighting the main findings including both strengths and weaknesses.

The Committee discussed the Report. C Walker noted that it would be helpful to have greater transparency within departmental team

members as to what the level of budget is across the various headings.

Risk Management - S Inglis spoke to the Report issued with the Agenda, noting that the overall level of assurance was 'Satisfactory', despite there being two areas which required improvement. He outlined the background to the Report and explained how the audit had been carried out. S Inglis then took the Committee through the Report highlighting the main findings including both strengths and weaknesses.

The Committee discussed the Report, noting that the risk management framework appears to be in place but more formal procedures need to be adopted across the College beyond the College Strategic Risk Register. M Yuille again identified the need to discuss risk at a departmental level. It was agreed that a paper on the risk appetite of the College should be brought to the next Audit Meeting including a recommendation to be put to the Board. JT

The Committee discussed communication with C Walker who intimated that there is not enough standardisation of communication across the College. J Thomson advised that there is a Communications Strategy which has been re-written and which includes internal communications. M Yuille suggested that the Board could be kept better connected to the College by being included in the Principal's 'All Staff' email communication. GM

The Committee discussed the three Reports.

L McGaw left the meeting.

Items 16.24 and 16.25 were considered together.

16.24 **INTERNAL AUDIT PLAN 2015/16 PROGRESS UPDATE**
16.25 **INTERNAL AUDIT PLAN 2016/17**

The Chair invited S Inglis to speak to the report with the papers.

S Inglis advised that the first part of the paper showed the progress against the Internal Audit Plan for the 2015/16 year and provided a summary of the work completed. He advised that all internal audits had been completed and that a follow up was due to take place in the coming weeks

S Inglis advised that the end of the paper was the Internal Audit Plan for 2016/17. The Committee agreed that IT should be brought forward on the plan and some audit days included in the 2016/17 schedule. The Committee discussed the importance of cyber security and agreed that some audit days should be utilised in 2016/17 in this area. SI

The Committee discussed the Internal Audit Progress Update and the Internal Audit Plan for 2016/17.

16.26 INTERNAL AND EXTERNAL AUDIT ROLLING ACTION PLAN

The Chair invited J Thomson to speak to the papers issued with the Agenda.

J Thomson advised that there were now 13 recommendations on the rolling action plan of which 8 have been completed. The Committee discussed the action plan.

16.27 EXTERNAL AUDIT PLANNING MEMORANDUM FOR FINANCIAL YEAR TO 31 JULY 2016

The Chair invited D Scott from Wylie & Bisset, to speak to the Papers issued with the Agenda.

D Scott took the Committee through the External Audit Planning Memorandum, highlighting the nature and scope of the works and the auditor's planned approach. D Scott highlighted the key section of the plan being the risk areas (section 3.5).

The Committee discussed the Memorandum, noting that a planning meeting had already taken place. There was some discussion about corporate governance and C Walker queried where this fitted in to the plan. D Scott advised that this is covered in each of the risks.

The Committee discussed the External Audit Planning Memorandum.

16.28 BOARD POLICIES

The Committee had been asked to look at the Board Policies falling under its area and to recommend any changes to the Board. The Committee discussed the policies and recommended changes to the following Policies:-

The Committee agreed that the following changes should be recommended to the Board at its next meeting:-

Policy 1.3 – Risk Management

- At the end of the first bullet point add the following, 'in light of the College's approved risk appetite'.
- At the end of the third bullet point add the following, 'and the impact it would have on the College'.

The Committee discussed the draft Fraud & Corruption Policy which had been circulated with the Agenda. After discussion it was agreed that the draft policy should be revised to split it into a policy and a procedure. The Committee will then consider the revised draft JT Policy at its next meeting.

The Committee discussed the Board Policies.

16.29 ANY OTHER BUSINESS

There were no other items of business.

16.30 EQUALITY IMPACT OF DECISIONS MADE

None

16.31 REVIEW OF PAPERS

The Committee thanked those who had provided papers for the meeting, noting that the Internal and External Audit Rolling Action Plan was very useful.

DATE OF NEXT MEETING

Wednesday 28 September 2016 at 2.30pm, the Boardroom at Langside.