

**NOTES OF THE FIFTEENTH MEETING OF THE AUDIT COMMITTEE
HELD ON 27 SEPTEMBER 2017, 4.30PM, THE BOARDROOM, ANNIESLAND
CAMPUS**

PRESENT:

David Watt	Committee Chair
Clare Walker	Committee Member
David Perez	Committee Member

IN ATTENDANCE:

Jon Vincent	Principal
Janet Thomson	Vice Principal Resources & College Development
Tracy Elliott	Assistant Principal - Finance & Infrastructure
David Archibald	Henderson Loggie
Gillian Murray	Clerk to the Board (Minute Taker)

17.29 WELCOME AND APOLOGIES

D Watt welcomed everyone to the meeting. There was an apology from K Rosser. The Committee was quorate.

17.30 DECLARATIONS OF INTEREST

D Archibald informed the Committee that Henderson Loggie are also internal auditors of the Glasgow Colleges Regional Board. J Vincent advised the Committee that he was in the process of completing his Board Member and staff member Register of Interest declarations. He advised that he did not have any conflict of interest with anything on the Agenda.

There were no other declarations of interest.

17.31 MINUTES OF MEETING HELD ON 7 JUNE 2017

The Minutes were accepted as a true record of events.

17.32 MATTERS ARISING – ACTION GRID

Progress on all of the Matters Arising in the Action Grid was noted.

J Thomson informed the Committee that in the summaries of the Glasgow Clyde College Audit Committee Meetings sent to GCRB, issues for consideration by GCRB were flagged up including consideration of the fees to be charged by the External

Auditors for the three assigned colleges in future years. Dialogue is ongoing regarding this.

In addition, the GCRB will be updating their Certificate of Assurance requirements to take account of their Internal Audit Report on Compliance with the SFC Financial Memorandum as prepared by Henderson Loggie. J Thomson confirmed that Glasgow Clyde College can proceed with this year's Certificate of Assurance, Corporate Governance Statement and Draft Financial Statements with any related changes taking effect next year.

17.33 INTERNAL AUDIT ANNUAL REPORT 2016/17

D Archibald was invited to speak to the Report issued with the Agenda. D Archibald took the Committee through the draft Internal Audit Annual Report explaining that there had been two changes to the original outputs – the Corporate Governance Audit Report and the Follow Up Reviews will be reported to the November meeting of the Audit Committee.

D Archibald confirmed that the final version of the Internal Audit Annual Report 2016/17 would be submitted to the November Committee and a comment would be added regarding response from management to recommendations made. It was confirmed that this is an interim report and there is therefore no requirement to share this publicly hence it should be non-disclosable.

The Committee noted the preliminary opinion in the Draft Internal Audit Report 2016/17.

17.34 DRAFT INTERNAL AUDIT PLAN 2017/18

D Archibald was invited to speak to the Report issued with the Agenda. D Archibald took the Committee through the process which will be undertaken to develop the Internal Audit Plan 2017/18. D Archibald explained that a full Audit Needs Assessment Exercise will take place with a new 3 year Strategic Plan being prepared. It was explained to the Committee that, following the preparation work, the Committee would receive the following documents for approval:

- a. The draft Protocol documents
- b. The draft Audit Needs Assessment and Strategic Plan 2017 to 2020
- c. The draft Assurance Map

d. The draft Annual Internal Audit Plan for 2017/18

The Committee discussed the proposed approach and the next steps as outlined in the Report. The Committee discussed the need to link the Internal Audit Planning to the Risk Register. D Archibald assured the Committee that the Risk Register would form a key part of the internal audit planning process and will help to identify key issues for the College's internal audit plan.

The Committee agreed that input into the process for developing the Internal Audit Needs Assessment would be beneficial from the Principal and Staff and Students. D Archibald confirmed that the Principal was already on the agreed list of those to meet with as part of the Audit Needs Assessment Process. It was agreed that D Archibald would also talk to the two staff members of the Board of Management together (C Walker and S Henson) as well as the Student member of the Audit Committee (D Perez) as part of the Audit Needs Assessment process.

DA/CW/SH/DP

The Committee noted the paper on the process for developing the Internal Audit Plan 2017/18

17.35 COLLEGE STRATEGIC RISK REGISTER

J Thomson was invited to speak to the College Strategic Risk Register. J Thomson highlighted the risks where the risk level is high, as well as highlighting those where the risk level has increased.

The Committee discussed the strategic risk register. A Committee member queried how they could get an assurance on the risks associated with a failure to achieve overall teaching delivery targets. It was explained that this is regularly reported to the Learning & Teaching Committee with reports also being given to the Board. G Murray suggested that, as part of Governance reporting requirements, the Remit of the Audit Committee could be revised to include a requirement that an assurance is passed from the Learning & Teaching Committee to the Audit Committee in respect of any risks which it monitors. The Chair suggested that a further column is introduced to the Risk Register to show where each Risk is reported. It was agreed that management would consider this.

The Committee discussed the importance of tracking the financial costs of different types of activity associated with the Risk Register and related mitigating actions. It was noted that the Finance & Resources Committee have

discussed this recently in relation to the costs of commercial activity.

The Committee discussed the risks associated with the introduction of the new General Data Protection Regulations coming into force. J Thomson advised that work was ongoing within the College to ensure the requirements of the new Regulations are met. A working group has been set up and they have met twice. External assistance is being sought to assist with the preparation for the new Regulations. A full update on progress will be brought to the next meeting of the Audit Committee. JT

The Committee noted the update on the Strategic Risk Register.

17.36 APPROVAL OF ACCOUNTING POLICIES

T Elliott was invited to speak to the Report issued with the Agenda. T Elliott presented the College Statement of Accounting Policies for Approval to the Committee.

Committee Members queried some of the wording of the Policies, in particular, the section headed 'Judgements in Applying Policies and Key Sources of Estimation Uncertainty'. The Committee discussed the wording and made some suggested revisions. It was agreed that the Accounting Policies were approved subject to T Elliott considering the requested changes and checking these with the External Auditor. An update would be given to Committee Members by email. TE

17.37 REVIEW OF AUDIT COMMITTEE REMIT

The Chair led a discussion on a review of the Audit Committee Remit. The Committee discussed several aspects of the Remit which would need to be given further consideration including the reference to notification of fraud (which should include reference to the fraud response plan), and the membership of the Committee. The Committee considered whether or not this exercise would be more usefully carried out after the Internal Auditors had prepared the assurance framework. It was agreed that J Thomson and the Clerk to the Board would make some changes to the current version in the meantime and circulate suggested changes to the Committee by email with this then coming to the next Committee meeting for further discussion. JT/GM

17.38 AUDIT COMMITTEE SELF-EVALUATION

The Chair led a discussion on the recent Audit Committee Self Evaluation which had been completed by Committee Members and staff. D Watt explained that a combined single response had been received from Staff as requested. It was explained that, in future, responses would also be sought from the Internal and External Auditors. In addition, the 'Ideal Score' column would be removed.

D Watt thanked both the Staff and Committee Members for taking the time to respond. Overall the responses had been positive with a few areas being highlighted for improvement. Those areas where improvement may be necessary were reflective of the stage of development of the Committee, it being a relatively new Committee.

D Watt highlighted the areas for improvement as follows.

- a. Ongoing training/induction for Committee Members
- b. Encouraging more contribution from Student Members, possibly by having staff discuss the papers in advance of the meeting with them to provide overview.
- c. Ensuring the Committee does not rely on one member's experience/expertise, by recruitment of another Committee Member with audit related experience.

It was agreed that these areas would be considered and action taken for improvement. A further self-evaluation would be carried out next year. DW

17.39 INTERNAL AND EXTERNAL AUDIT ROLLING ACTION PLAN

The Committee noted the updates on the Rolling Action Plan. A Committee Member noted that the actions relating to Ransomware did not have a priority rating. It was explained that this was because these actions did not come from an Audit Report but instead came from a Committee discussion following submission of a paper. It was agreed that an appropriate Priority rating would be assessed by College Senior Management and included on the next update given to the Committee. TE/JT

17.40 AUDIT SCOTLAND REPORT : SCOTLAND'S COLLEGES 2017

The Committee noted the key recommendations within the annual review report by Audit Scotland – Audit Scotland’s Overview of Colleges 2017. It was noted that this Report was also being taken to the Finance & Resources Committee and should also be taken to the Learning & Teaching Committee. The Committee noted the work already being done by the College to ensure the actions within the Report are addressed. JT

17.41 CERTIFICATE OF ASSURANCE

The Committee noted the Certificate of Assurance process and the nominated senior managers signing off for specific areas. The Committee requested sight of the recorded process for signing the Certificate of Assurance. The paper was agreed to be non-disclosable. JT

17.42 EQUALITY IMPACT OF DECISIONS MADE

No decisions were made requiring an Equality Impact Assessment.

17.43 REVIEW OF PAPERS (INCLUDING DISCLOSABLE STATUS)

The following papers were deemed non-disclosable at this stage: 17.33, 17.36, 17.38, 17.39, 17.41

17.44 ANY OTHER BUSINESS

None. The Committee Chair thanked those who had provided papers for the meeting. The Committee Chair recommended that the next meeting have an earlier start time to allow full discussion of all necessary items as the Agenda for that meeting will be lengthy.

DATE OF NEXT MEETING 22nd November 2017, start time tbc.