

**NOTES OF THE EIGHTEENTH MEETING OF THE AUDIT COMMITTEE
HELD ON 23 MAY 2018, 4.30PM, SEMINAR ROOM 4, CARDONALD CAMPUS**

PRESENT:

David Watt	Committee Chair
Clare Walker	Committee Member
Keith Rosser	Committee Member

IN ATTENDANCE:

Jon Vincent	Principal
Janet Thomson	Vice Principal Resources & College Development
Tracy Elliott	Assistant Principal – Finance & Infrastructure
Stuart Inglis	Henderson Loggie
David Archibald	Henderson Loggie
Gary Devlin	Scott Moncrieff
Glenn Heritage	Clerk to the Board (Minute Taker)

ACTION

18.15 WELCOME AND APOLOGIES

D Watt welcomed everyone to the meeting. Apologies were received from Michael Payne and David Perez.

18.16 DECLARATIONS OF INTEREST

Committee member Clare Walker declared an interest in item 18.20 on the Internal Audit on Student Support due to her department being involved in the Review

18.17 MINUTES OF MEETING HELD ON 21 FEBRUARY 2018

The Minutes are to revert to the wording requested by the Chair in relation to non-audit services and as discussed at the March Board of Management meeting. Item 18.08.and the Action Grid refer.

The Minutes were accepted as a true record of events in all other respects.

18.18 MATTERS ARISING – ACTION GRID

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

The paper relating to item 18.08 regarding non-audit services, was circulated at the meeting as an additional item (18.08a) setting out the three areas of key risks and mitigation of conflicts of interest from Scott Moncrieff.

G Devlin also gave the Committee an overview of the process and steps taken relating to their submission of the tender for GDPR services.

The Committee agreed to receive this additional paper and to accept its conclusions.

Under matters arising it was also confirmed that Cyber Resilience would include IT Network Penetration risks and a paper would go the June Board of Management.

18.19 REMIT OF COMMITTEE

The remit with one revised amendment since the last meeting and as indicated at the March Board of Management (being the addition of a sentence relating to other Committees under Governance and Compliance) was circulated with the agenda papers.

The remit was agreed by the Committee.

Under this item the Chair wished the Committee to note his attendance at the Glasgow Regional Chairs of Audit Committees meeting where presentations on mental health and an overview from Scottish Funding Council were given. The notes from this meeting will be circulated to Committee members for information.

JT

18.20 INTERNAL AUDIT REPORTS

D Archibald and S Inglis of Henderson Loggie were invited to speak to the reports issued with the agenda.

- CURRICULUM

D Archibald gave an overview of the College's activities carried out around curriculum setting and the use of new technology. Overall the report was positive and noted the work GCC deployed into these areas.

Whilst no specific recommendations were made, two areas for improvement were noted as employability and soft skills training for students and increasing the use of the Virtual Learning Environment (VLE).

J Vincent affirmed that these areas are recognised, with view to future skills needs by industry. An example is 'Clydebuilt Career Ready' which is an initiative being looked at by the College aimed at creating future students of choice for employers.

The Committee discussed aspects of this and the need to align the curriculum to future needs.

Following a lively discussion, the Committee noted the report and the work being undertaken internally.

It was suggested by the Chair that the report should be submitted to the Learning and Teaching Committee and that the Annual Follow Up Review by Henderson Loggie include some narrative on the two areas for improvement indicated in this report.

GH

Henderson
Loggie

-STUDENT SUPPORT (Business Process Review)

S Inglis gave an overview of the summary of business process actions which have been shared with the management team.

S Inglis explained the approach and findings, and the four main improvement areas as set out in the paper.

A Committee member asked how we ensure actions are completed and J Vincent advised that the report would feed into the annual self-evaluation process for that area which would ensure full consideration of the report and an agreed plan for any related business process actions. The Committee discussed briefly and noted the report.

-ESTATES STRATEGY, CAPITAL PROJECTS AND BUILDING MAINTENANCE

D Archibald gave an overview of the comprehensive review carried out across Estates Strategy, Capital Projects and Building Maintenance.

The report made recommendations and identified strengths as well as weaknesses. Areas of weakness around evaluation of tenders and procurement were highlighted in the report.

The contents of the report gave rise to a robust discussion around the availability of evidence which had led to the report conclusions in these areas. GCC staff present were clear that absence of a few specific items of evidence had detracted from the ability to assess an accurate picture.

The Committee considered how standardisation and use of checklists can assist evidence gathering, and the impact of changes in personnel particularly within the APUC procurement function for the College since the projects reviewed had commenced which was some time ago.

After lengthy discussion it was agreed that Henderson Loggie will revise the wording of the report prior to finalising and reflect the absence of evidence in only a few instances.

The Committee agreed that, following revision by Henderson Loggie the report will be considered at the next Audit Committee meeting.

HL

DATA PROTECTION REVIEW (Part 2)

D Archibald was invited to speak to this report which was circulated by email and tabled at this meeting.

It was noted that this report was a review at a moment in time during the College preparations for GDPR. D Archibald gave an update noting that actions identified in the Part 1 report were all incorporated within the Action

Plan. Of the 50 actions at the time of the report, 10 were outstanding but assurances were given that the necessary actions would be completed by 25th May.

J Thomson advised the committee that some actions relied on partner organisations (suppliers, third parties) but we will have initiated all actions to suppliers and third parties and some were now not in our control.

A Committee member asked for clarification that consent for marketing activity was sought. J Thomson responded that yes, an opt in process had been put in place and sent out for completion where this was appropriate. She also confirmed all staff were undertaking online training, and this was being tracked for completion.

Following discussion the Committee noted progress and the challenges and asked to be kept informed.

JT

18.21 INTERNAL AUDIT 2017/18 PLAN PROGRESS & 2018/19 PLAN

S Inglis was invited to speak to the report issued with the agenda.

S Inglis gave an overview of the progress against 2017/18 Plan and the proposed allocation of internal audit days for 2018/19 which was based on the Internal Audit Strategic Needs Assessment recently agreed by Committee.

The detailed scope of the planned 2018/19 internal audits were confirmed as still to be discussed with senior management and the Plan would revert to this Committee if any changes were found to be appropriate.

The Chair asked if Estates and Facilities would be included in the Health and Safety Planned Audit in the light of the report in agenda item 18.20 above. It was indicated that Health and Safety was a separate area from Estates and it was noted that an internal audit on procurement and creditors/purchasing is due to be completed as part of the final of the 2017/18 audit which will report to the September Committee on purchasing matters. It was also noted that safeguarding should be considered within the planned internal audit of Health and Safety in 2018/19 following recent events and OSCR guidance.

The Committee discussed and noted the Internal Audit Progress and Plan for 2018/19..

18.22 EXTERNAL AUDIT PLANNING MEMORANDUM 2017/18

G Devlin of Scott Moncrieff was invited to speak to the report circulated with the agenda. It was noted that the draft word version had been included in the papers circulated rather than the final PDF version and this had

failed to format correctly when printed. A final and presentable copy was also circulated at this meeting.

G Devlin took the Committee through each of the sections of the External Audit Plan.

On Respective Responsibilities the Committee confirmed they were comfortable with the responsibilities as set out.

G Devlin detailed the Audit Strategy and Annual Report and Accounts sections. He suggested that an annual meeting with the Principal would be beneficial and this was agreed.

Scott
Moncrieff/
JV

G Devlin explained the key audit risks to be considered and the Committee agreed that the correct risks are being captured.

On Wider Scope Audit an overview was given by G Devlin recognising that all colleges face challenging financial situations. In response to the Chair querying the approach to the review of governance and transparency, G Devlin explained this was about updating the external auditors' understanding, not a further full review more of an incremental approach.

Outputs and Timetables – the timescales were queried given the need to report to GCRB and for consolidation across the Region. After discussion it was felt that sharing of information will coincide with our schedule of meetings but that there had been changes with GCRB scheduling. Clerk to confirm this with GCRB.

GH

The Committee noted that the College's Board would be approving the audited accounts at its meeting in December 2018.

Fees were discussed separately.

G Devlin explained the outcome of Audit Scotland's appointment of Scott Moncrieff for all three Glasgow region colleges and GCRB which had enabling them to undertake a comparative analysis of fee levels.

Some were considered at the wrong level and GCC fees were considered to be too low albeit they are not in a solus position with one other College being assessed as too high.

The proposed increased fee level for GCC represents an uplift of 32.5% and J Vincent has queried this with Audit Scotland to seek a reason for this. Email and letters between J Vincent and Audit Scotland were circulated at the meeting for information.

The Committee discussed the fee levels at length, noted that management is in dialogue with Audit Scotland and confirmed that this should continue to be pursued by the Principal to seek a satisfactory explanation for the proposed significant fee increase.

JV

The Committee approved the External Audit Plan 2017/18 noting the ongoing dialogue on the proposed increased external audit fees.

ACTION

18.23 UPDATE ON GENERAL DATA PROTECTION REGULATION

J Thomson was invited to speak to the paper circulated to members.

J Thomson gave further detail to that provided in the internal audit on Data Protection under item

18.20 and explained the operational actions in place.

Overall, progress is satisfactory and ongoing. A new Data Protection Officer for the Region is now in place and works 2 days per week for GCC.

A Committee member asked if risks of missing deadlines had been assessed and J Thomson explained that RAG status monitoring is being used on the workplan to keep on track.

J Vincent confirmed that it would be appropriate to share with the Board where potential risks existed even if outwith our control. It was agreed a summary be provided in the report to the Board.

JT

The Committee was content with the level of provision to the Board and that detail and assurances should be made to this Committee.

18.24 INSTITUTIONAL EFFICIENCY RETURN 2016/17

T Elliott was invited to speak to the report circulated with the agenda.

T Elliott explained that this return was made in response to a request from SFC. Committee members queried that the majority of the efficiencies included in the return appeared to be as a result of external funding rather than any internal cost savings and this seemed odd to include these.

T Elliott gave some detail around how and by which means the Scottish Government wishes to see evidence of efficiencies inclusive of inward funding.

The Committee noted that the return has been made to SFC as required.

18.25 COLLEGE STRATEGIC REGISTER

K Rosser left the meeting at this point

J Thomson was invited to speak to the report circulated with the agenda papers.

J Thomson gave an overview of the current status as indicated in the report.

The Committee considered the Risk Register and noted its contents.

18.26 NATIONAL FRAUD INITIATIVE 2017 OUTCOMES

The Committee noted the contents of the report circulated with the agenda papers.

18.27 SECTION 22 REPORTS - EDINBURGH COLLEGE AND NEW COLLEGE LANARKSHIRE

The Committee noted the contents of the report circulated with the agenda papers.

18.28 INTERNAL AND EXTERNAL AUDIT ROLLING ACTION PLAN

T Elliott was invited to speak to the report circulated with the agenda papers.

A Committee member sought clarification around the staff development action and the date for this and was assured this was May 2018 and actions were taking place.

The Committee noted the contents of the report.

18.29 EQUALITY IMPACT OF DECISIONS MADE

No decisions were made requiring an Equality Impact Assessment

18.30 REVIEW OF PAPERS (INCLUDING DISCLOSABLE STATUS)

The current Henderson Loggie internal audit report 18.20 paper 3 is not Disclosable as it is not a final paper. All other papers are as notated.

18.31 ANY OTHER BUSINESS

1 T Elliott tabled a brief paper and highlighted that following recent communication with Audit Scotland on their draft annual report for the sector she had been made aware that Audit Scotland are proposing to use a different methodology to the SFC guidance, and in their proposed public report show GCC as being in deficit, representing an adverse financial position.

T Elliott advised that discussions with both SFC and Audit Scotland were ongoing.

The Audit Committee will be updated when possible.

2 G Devlin notified the Committee that Scott Moncrieff would be hosting executive forum events and that invitations would shortly be issued.

TE

DATE OF NEXT MEETING

4.30pm on Wednesday 3RD October 2018, in Boardroom, Langside Campus .