

**NOTES OF THE NINETEENTH MEETING OF THE AUDIT COMMITTEE
HELD ON 04 OCTOBER 2018, 1.00PM, BOWFIELD HOTEL, HOWWOOD.**

PRESENT:

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

IN ATTENDANCE:

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

ACTION

18.32 WELCOME AND APOLOGIES

D Watt welcomed everyone to the meeting.

18.33 DECLARATIONS OF INTEREST

There were no declarations of interest.

18.34 MINUTES OF MEETING HELD ON 23 MAY 2018

The Minutes were agreed to be an accurate record of the meeting.

18.35 MATTERS ARISING – ACTION GRID

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

18.19 further notes of GCRB meetings will be circulated.

18.23 J Thomson asked the Committee to note the new Data Protection Officer has taken up post. Staff training has been implemented in respect of GDPR and a security guide issued.

JT

18.36 INTERNAL AUDIT REPORTS

Estates	Strategy/Capital	Projects/Building
Maintenance		

This paper is a revision of that reviewed at the May Audit Committee meeting. Points raised at that meeting have now been actioned and updates incorporated.

The Committee noted the report and thanked Henderson Loggie, internal auditors.

Procurement and Creditors

T Elliott spoke to the report issued with agenda papers. The report is broadly positive. Items highlighted by the report relating to purchase orders are being addressed or work taken forward appropriately. T Elliott explained the circumstances when purchase orders may not be raised, for example, with utility bills which are recurring costs. She also confirmed that if there is no purchase order there is always an invoice and goods received note requiring two signatories.

A discussion took place during which T Elliott confirmed the intention to implement a strengthened system. The wording in the report was discussed, as not reflecting the stringent steps already taken where purchase orders are not practicable.

After discussion it was agreed that the wording will be amended for clarity but does not require resubmission to this Committee.

In the interests of fraud prevention the Committee agreed that the summary only and not detailed actions should be published.

It was also agreed to seek strengthened application of anti-fraud controls.

The Committee noted the contents of the paper.

TE

Business Development

This report focusses on domestic activity.

Objective 2 was highlighted as satisfactory and the report noted resource constraints and potential actions including design enhancements to support increased online training and activity.

The Committee noted that Commercial Activity is also being considered during the Board Development event.

A short discussion was held on the focus of the report. It was noted the paper does not reflect failure in audit controls relating to business development and that commercial activity is to be considered by the Board in terms of progress and achievements.

A discussion on Objective 5 which has not explicit recommendations led to suggestion that actions that can be taken are placed on the Rolling Action Plan to enable tracking. The Committee noted that Finance and Resources Committee have requested this and this Committee could seek assurances.

It was agreed to add to the Rolling Action Plan with timescales.

JT

TE

Follow-Up Reviews – Corporate Governance

Committee members expressed some concern over the timescales where actions had still not been fully implemented.

R2 – IT training, scheduled for September 2017. The Committee were informed that senior managers, and IT department staff had received training and it would now be rolled out to other staff. Senior executives were looking at suitable options for training.

Governance review has a number of partially implemented areas and some of this could be better documented to satisfy audit requirements. Examples were given of the annual performance process for the Principal, the website, and the Board recruitment process.

Clerk to review documentation and revise or submit appropriately.

Clerk

The Committee noted concerns that progress is not captured and that recommendations in the Board Development Plan has sat independently and not been incorporated with the Rolling Action Plan for monitoring through the Audit Committee.

The Committee agreed the Board Development Plan for 2018-19, once agreed, will be included in the Rolling Action Plan and closely monitored by this Committee.

Clerk

18.37 PROGRESS REPORT 2017/18 and 2018/19 PLAN

The committee noted progress on the internal audit report of year two of the strategic plan.

The proposed allocations for 2018/19 were discussed and considered. In particular members felt IT and allied security may require additional work and that Safeguarding whilst integral to Health and Safety required to be a separate item of focus. Safeguarding should reflect corporate parenting and the multi-agency approaches which are a growing area of work

Collectively it was noted that these areas may require additional days.

The Committee wishes to see more refined definitions in the scale and scope of the proposed plan.

The Committee noted that Henderson Loggie will revert with appropriate revisions.

HL

18.38 COLLEGE STRATEGIC RISK REGISTER

j Thomson gave an overview of the Risk Register and circulated copies of the updated version.

The Committee were asked to note that F1 could not be a lower RAG status as funding had been advised but that future changes to funding methodology could increase this risk over time.

With some discussion it was agreed that we should consider longer term risks and potential actions, therefore, future reports should be presented as current year risks and longer term risks. This would split the report between short and long term risks to ensure a focus on longer term and the mitigation measures. A proposed configuration will be brought to the next meeting

JT

The Committee would also wish to see clarity on regional activity as soon as available.

Cyber security and continuing implementation of Cyber Essential was briefly discussed and the Committee were assured that GCC will operate to maintain green RAG status, the current red (02) was temporary. The College is vigilant and alive to risk of attacks. One measure will involve the website moving from Worldpay and Sagepay to a more secure system.

National Bargaining was noted as an ongoing risk with the outcome not yet known and risk of industrial action.

A discussion took place referring to the recent Audit Scotland Report and the risks associated with the movement of socially deprived children.

J Vincent confirmed that a high percentage of students are from deprived postcode areas which gives a risk to targets; however we meet and exceed our targets annually. The greater challenge lies in helping care experienced children overcome barriers to achievement. Within the register F3 and G1 have implicit references to this. .

A short discussion on care experienced students, the work GCSSA is undertaking to improve the care of these students and the financial bursary available followed. J Vincent was able to give details of the improved (internal staff) committee structure which is being implemented and aims to improve knowledge and awareness of issues.

The Committee felt that G1 should be revisited and take note of safeguarding, modern slavery and potentially fraud as a governance risk.

JT

It was clarified to the Committee (F2) that although income was slightly less than anticipated this did not impact on the overall position.

A further point noted that SFC have stated that contributions to Arm's Length Foundations (ALF) should only be made from commercial activities; the definition of commercial activities and thus the scope has not been clarified.

The Committee noted the contents of the register.

18.39 APPROVAL OF ACCOUNTING POLICIES

T Elliott introduced the paper.

The Committee were asked to note that no items of change were significant and to note that GCRB now have a role in issuing guidance.

Some dates within the paper require simple updating from the previous year. In addition, there is potential to add that Audit Committee would require to see evidence of going concern.

The Committee approved the Accounting policies subject to minor amendments as noted.

TE

18.40 INTERNAL AND EXTERNAL AUDIT ROLLING ACTION PLAN

T Elliott introduced the plan.

The Committee felt the plan reflects the position as described under item 18.36 and the Follow Up review report. Ownership and actions discussed under item 18.36 are to be included.

The Committee agreed that in future all actions will be reflected in the rolling Action Plan and that the source of recommendation ie from internal or external sources will be noted in the plan.

TE/Clerk

18.41 CERTIFICATE OF ASSURANCE 2017/18

J Thomson gave an overview of this paper.

GCC is required to submit the Certificate to GCRB who in turn complete one for SFC.

After brief discussion of the note in Annexe C relating to annual objectives for managers the Committee noted the Certificate of Assurance.

18.42 OSCR GUIDANCE ON FRAUD PREVENTION

J Thomson introduced this paper and the current high level Fraud Prevention policy..

The Committee were asked to note that GCC do have robust internal controls.

There was a brief discussion around use of new technology to improve anti-fraud measures.

The Committee ask that a paper is submitted which reports against each section within the guidance to give assurance of controls, to take cognisance of the guidance and to supplement existing assurances.

The Committee noted the papers.

JT

18.43 EQUALITY IMPACT OF DECISIONS MADE

No decisions were made requiring an Equality Impact Assessment. The Board particularly considered equalities relating to care experienced students and to Board recruitment.

18.44 REVIEW OF PAPERS (INCLUDING DISCLOSABLE STATUS)

Internal Audit of Business Development will comprise a summary only. Internal Audit of Procurement and Creditors will comprise a summary only.

Other papers are as detailed.

Taking cognisance of the reasons for non disclosure a paragraph will be supplied to accompany papers when published.

18.45 ANY OTHER BUSINESS

There was no other business.

DATE OF NEXT MEETING

4.30pm on Wednesday 28th November 2018, in Boardroom, Langside Campus

APPROVED