

Draft Minute of the Audit and Assurance Committee meeting held on Tuesday 1 June 2021

Present	
Paul Buchanan (Chair)	
Edward McGrachen	Maureen McKenna
In Attendance	
David Archibald (Internal Auditor)	Gary Devlin (External Auditor)
Martin Boyle (Executive Director)	Jim Godfrey (Finance and Resources Director)
Penny Davis (Board Secretary)	Wendy Odedina (Executive Assistant)
Apologies	
Alastair Milloy	

1. Introduction and Welcome

Paper Number: Verbal

1.1 Discussion

The Chair welcomed members and attendees to the meeting.

He noted that this was Maureen McKenna's last committee meeting before her term on the board comes to an end and he thanked her for her contributions to the work of the committee.

The Chair also brought to members' attention that some reference documents have been added to the library section on BoardEffect for the committee's background information.

2. Apologies

Paper Number: Verbal

2.1 Discussion

Alastair Milloy was not present at the meeting.

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.

The internal auditor declared an interest in item 8 and it was agreed this item would be taken at the end of the meeting and he would leave the meeting at this point.

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 Committee Chair:

- Non-Exec members phase 2 review workshop;
- Review workshop with SFC;
- Committee Chairs meeting with Chair;
- External Effectiveness Review Feedback session;
- Board meeting.

5. Minute of the Committee meeting held on Thursday 9 March 2021

Paper Number: AAC6-A

5.1 Decision

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

With regard to matters arising and the action on stakeholder views, it was noted that stakeholder engagement has been included with the scope of internal audit work to allow a coherent approach to be developed moving forward.

6. Internal Audit Progress Report

Paper Number: AAC6-B

6.1 Discussion

The internal auditor provided an overview of the report noting one small change to the overall plan. He outlined the work taking place from now until September which will be reported to the next meeting of the committee.

With regard to the second part of the paper and the review of GCRB financial controls, he noted an overall level of assurance as 'good' with regard to the payroll function provided by Glasgow Clyde College and invoice processing and creditor payments from City of Glasgow College. He confirmed that there were no areas of concern to bring to the committee's attention.

The committee discussed capturing the full end to end process in this type of audit and the suggestion to include GCRB activity in the future.

6.2 Decision

The Committee **noted**:

- the progress of the Internal Audit programme for 2020-21; and
- the review of GCRB financial controls and that the level of assurance is rated 'good'.

7. Implementation of Internal Audit Recommendations

Paper Number: AAC6-C

7.1 Discussion

The Finance and Resources Director provided an overview of the implementation of internal audit recommendations, noting proposed revised implementation dates to three of the actions.

7.2 Decision

The Committee:

- **noted** the progress made to implement the recommendations of previous Internal Audit reports; and
- **approved** the revised implementation dates for the three recommendations set out in the report.

8. Internal Audit Contract Tender

Paper Number: AAC6-D

8.1 Discussion

This item was taken at the end of the meeting. David Archibald left the meeting at this stage.

The Finance and Resources Director presented the paper noting the comments from committee at its last meeting that had been incorporated. He noted that all of the detailed information was available to member on the library section of BoardEffects.

He highlighted 30 June as the date for presentations and requested that a member of the committee represent GCRB alongside the Executive Director.

8.2 Decision

The Committee:

- **noted** the progress with regard to the collaborative tender for an internal auditor from 2021-22, and

- **agreed** the Executive should write to board members to seek availability for a member to represent GCRB in the tender evaluation process.

9. External Audit Annual Plan

Paper Number: AAC6-E

9.1 Discussion

The External Auditor presented the external audit annual plan noting the elements that cover the financial statements and also the wider scope. He noted that key focus within the wider scope element will be financial sustainability and also the review work being conducted across the sector. He also explained changes to audit strategy across the public sector which will form part of the report.

The external auditor outlined the factors that have led to the increased audit fee relating to additional work which was remunerated separately by Audit Scotland last year, however is included in the audit fee for this year.

The committee discussed the plan and the increased fee seeking clarification on increases across the sector.

9.2 Decision

The Committee **noted**:

- the external audit plan for 2020-21; and
- the proposed 20% increase in the external audit fee to £26,540

10. Cyber Security

Paper Number: AAC6-F

10.1 Discussion

The Executive Director provided a verbal update on a matter that had arisen subsequent to the paper being circulated to committee members. The matter concerned a cyber-breach at City of Glasgow College identified within the last week. He noted that the swift action has been undertaken to address the matter and reports been provided to the SFC as appropriate. He confirmed there is no loss of service and it is believed that the matter is no longer a live threat.

The Finance and Resources Director then presented the report which included an update from each of the three colleges. He noted that GCRB now has insurance in place also. He also referred to the Scottish Public Sector Framework on cyber security which the colleges will be working to as a baseline standard which he noted is a comprehensive action plan.

The committee discussed the benefits of a regional approach in this area to bring together the different capabilities and capacities being developed individually in the colleges at present. It was suggested that this would be an area the committee would like to see GCRB progress on a regional basis.

10.2 Decision

The Committee **noted** this report and their endorsement for a regional collaborative approach to be developed.

11. Risk Policy and Procedures

Paper Number: AAC6-G

11.1 Discussion

The Finance and Resources Director presented the risk policy and procedure which he noted has been updated to reflect recommendations from internal audit. He noted that risk management action plans are being developed for risk and it is intended to have these in place by the end of June.

The committee noted the work undertaken and that a full review of risk is planned for when a new strategic plan is in place.

11.2 Decision

The Committee:

- **approved** the revised risk policy and procedures;
- **approved** the risk appetite;
- **noted** the development of the risk management action plans as recommended by the internal auditors.

12. Review of Assigned College Risk Registers

Paper Number: AAC6-H

12.1 Discussion

The Finance and Resources Director provided an overview of the report noting an overall reduction in the grading and number of risks, particularly relating to financial sustainability due to additional monies received for Covid-19 support.

12.2 Decision

The Committee **noted**;

- the risk registers of the assigned colleges were considered 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; and
- the timing of Audit Committees means that the (assigned college) risk registers are currently being considered by Boards and therefore subject to change.

13. Update from Assigned College Audit Committees

Paper Number: AAC6-I

13.1 Discussion

The Executive Director introduced the report for committee's information.

13.2 Decision

The committee **noted** the report and the audit updates provided by the two Glasgow colleges note there had not been a meeting of the City of Glasgow College Audit Committee since the last update report.

14. Certificates of Assurance

Paper Number: verbal

14.1 Discussion

The Executive Director provided a verbal report to note that the Certificate of Assurance request has now been received from the SFC and he is liaising with college Principals to complete a submission on behalf of the region. He noted that he will report any matters to the committee as necessary.

14.2 Decision

The Committee noted the verbal report.

15. Compliance with Code of Good Governance

Paper Number: AAC6-J

15.1 Discussion

The Board Secretary presented the report confirming no areas of non-compliance with the code of good governance.

She explained that the report has a slightly different format from usual to take account of the recommendations from the external evaluation review particularly demonstrating more of the impact of compliance moving forward.

The committee discussed the new format and welcomed the proposed revisions which they expect will help in effective decision making in the future

15.2 Decision

The Committee **agreed** to recommend to the Board the draft statement on compliance with the Code to incorporate within the Corporate Governance Statement in the Annual Report.

16. Compliance with Audit Handbook

Paper Number: AAC6-K

16.1 Discussion

The Board Secretary provided an overview of the report which is intended to provide assurance to members and remind them of the requirements in this area. She confirmed there were no noteworthy changes to bring to the committee's attention.

16.2 Decision

The Committee **considered** the report and confirmed there were no new actions required to strengthen compliance.

17. Annual Review of Whistleblowing and Fraud

Paper Number: AAC6-L

17.1 Discussion

The Finance and Resources Director spoke to the paper and confirmed there were no new items to advise committee on with regard to whistleblowing and fraud.

17.2 Decision

The committee **noted** the report.

18. Long Term Agenda

Paper Number: AAC6-M

18.1 Decision

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

19. Review of Disclosable Status

Paper Number: Verbal

19.1 Decision

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

AAC6-F Cyber Security

AAC6-L Annual Report on Whistleblowing and Fraud

20. Date of Next Meeting

Paper Number: Verbal

20.1 Decision

The date of the next scheduled meeting of the Committee was confirmed as October 2021, subject to approval of the board calendar at the full board meeting.