

## Audit and Assurance Committee Meeting

Date of Meeting	Tuesday 14 January 2025
Paper Title	Updates from Assigned College Audit Committees
Agenda Item	11
Paper Number	AAC2-G
Responsible Officer	Jim Godfrey, Finance and Resources Director
Status	Disclosable
Action	For noting

### 1. Executive Summary

- 1.1** Consider updates on key items of business undertaken by the audit committees of the assigned colleges.

### 2. Recommendations

- 2.1** The Committee is invited to **note** this report and the audit updates provided by the assigned Glasgow colleges.

### 3. Background

- 3.1** The Committee receives updates from the audit committees of the assigned colleges on key matters considered at each of their meetings, in order to support identification of opportunities for cross-region collaboration in areas of shared interest.

### 4. Risk and compliance implications, financial and resources implications, equalities implications and learner implications

- 4.1** Other than as reported, there are no specific aspects to be considered under these headings.

**Update from Assigned College Audit Committees**

**College:**

**Date of Meeting: 27 November 2024**

Topic of Discussion	Summary and Outcome of Discussion	Impact on GCRB (if any)
Items to be Discussed Privately with Auditors	The Committee met briefly in a private session with the internal and external auditors without attending officers present.	Governance/audit assurance
Deep Dive: Cyber Security	The Director of IT facilitated a deep dive into cyber security at the College.	Governance assurance
Data Protection Officer Report	The DPO joined the Committee to provide an update on the work being undertaken across the College to ensure data protection and manage compliance with our legal and regulatory obligations.	Governance assurance
Internal Audit Plan 2024-25	The Committee considered and approved the internal audit plan.	Internal audit assurance
Internal Audit Annual Report 2022-23	The Committee welcomed that no major internal control weaknesses were identified and the internal audit opinion that the College continues to have adequate and effective arrangements for risk management, control and governance in place.	Governance/audit assurance
Internal Audit Reports: Student Activity Data 2023-24 Student Support Funds 2023-24	Henderson Loggie presented the internal audit reports on student activity data and student support funds for the previous academic year. They highlighted that these reports, required to be submitted to the Scottish Funding Council (SFC) and the Student Awards Agency for Scotland (SAAS), included a clean opinion and no reservations.	Internal audit assurance
Quarterly Internal Audit Overview	The College's in-house Compliance Auditor provided a quarterly update to the Committee on the College's progress in implementing the recommendations from previous internal/external audit reports.	Internal audit assurance
Register of Interest Status Report	Members noted that the Board's Register of Interests is up-to-date and published on the College's website.	Governance assurance
Annual Report and Accounts 2023-24	In a separate, joint meeting of the Audit & Assurance Committee and Finance Committee, members reviewed the draft Annual Report and	Governance assurance

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	Accounts and agreed to recommend it to the Board for final approval subject to one minor amendment.	
External Audit Annual Report 2023-24	Members discussed the External Audit Annual Report for 2023-24. In addition to confirming that an unqualified opinion had been issued, the auditor highlighted to members that the College has a clear vision and strategy and appropriate financial and governance arrangements in place.	External audit assurance
External Audit Letter of Representation	The Committee approved the External Audit Letter of Representation.	Governance/audit assurance
Best Value Framework	The Financial Controller presented the College's Best Value Framework to the Committee, described as an example of best practice by Audit Scotland.	Governance/audit assurance
Strategic Risk Review	The Committee considered the Strategic Risk Register and Management Action Plans for risks within its remit.	Governance assurance
Papers for Noting	The Committee noted the following reports: SFC Financial Memorandum Delegated Limits & Expenditure Annual Report Staff Compensation Payments Report	Governance assurance

**Update from Assigned College Audit Committees**  
**Glasgow Kelvin College Audit & Risk Committee 26 November 2024**

Please note agenda and all papers are published on the College web site 1 week after the meeting date except where they need to be withheld from the public domain.

Topic of Discussion	Summary and Outcome of Discussion	Impact on GCRB (if any)
<b>Audit and Risk Committee and Risk Management Committee Terms of Reference Refresh</b>	<p>Members received a report outlining proposed changes to the Audit and Risk Committee's and the Risk Management Committee's Terms of Reference (ToR), which were due for review.</p> <p>Following discussion on the membership/quorum etc, it was agreed that approval would be sought via email to members following further discussion with the Chair of the Board, the Secretary to the Board and the Director of Estates and Corporate Services.</p>	Provides GCRB with assurance that the Audit and Risk Committee fully review the Terms of Reference and suggest changes as required.
<b>Henderson Loggie – Annual Report to the Board of Management and Principal on the Provision of Internal Audit Services for 2023/24</b>	<p>Henderson Loggie presented the Annual Internal Audit Report 2023/24 summarising the internal audit work performed by them during the period. They confirmed that all work conducted in 2023/24 assessed systems as 'Good' or 'Satisfactory', or provided an unqualified audit opinion on College returns, and advised that there were therefore no significant issues identifying major internal control weaknesses. In Henderson Loggie's opinion, the College had adequate and effective arrangements for risk management, control and governance.</p> <p>Henderson Loggie provided members with a summary of the follow up reviews undertaken on Internal Audit Reports Issued during 2022-23. The College had made good progress in implementing the recommendations followed-up as part of the review, with overall 8 of the 11 recommendations followed-up being assessed as 'fully implemented'. 2</p>	Provided GCRB with assurance that the Audit and Risk Committee are receiving reports from the Internal Auditor and that the College have adequate and effective arrangements for risk management, control and governance. Furthermore, that audit actions are being attended to by the College as required.

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	recommendations were assessed as 'partially implemented' and 1 as showing 'little or no progress made'	
<b>Internal Audit Reports – Henderson Loggie</b> <b>a) Procurement and Creditors / Purchasing</b> <b>b) 2023.24 Student Activity Data</b> <b>c) 2023.24 Student Support Funds</b>	<p>Henderson Loggie presented the following reports:</p> <p>a) Procurement and Creditors/Purchasing  This area had been identified as an area where risk could arise and where Internal Audit could assist in providing assurances to the Principal and the Audit and Risk Committee that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.</p> <p>Henderson Loggie reported that the overall level of assurance was 'Good', notwithstanding, it was recognised that actions regarding POs were underway to reduce the volume of invoices which are received with no PO; it was recognised that these mainly occur due to the item being covered by a contract i.e. utilities bills etc.</p> <p>b) 2023-24 Student Activity Data  The audit concluded that the student data returns have been compiled in accordance with all relevant guidance; adequate procedures are in place to ensure the accurate collection and recording of the data; and reasonable assurance can be provided that the FES return is free from material misstatements.</p> <p>c)2023-24 Student Support Funds  The audit objectives here were to ensure that: the College complies with the terms, conditions and guidance notes issued by SFC, SAAS and the Scottish Government; payments to students are genuine claims for hardship, bursary or EMA, and have been processed and awarded in accordance with College procedures; and the information disclosed in each of the returns for the year ending 31 July 2024, is in agreement with underlying records.</p>	Provides GCRB with assurance that the Audit and Risk Committee are receiving reports from the Internal Auditor and that the College have adequate and effective arrangements and controls in place. Reports received from internal audit were all in order.

Topic of Discussion	Summary and Outcome of Discussion	Impact on GCRB (if any)
	The Auditors were able to certify all three fund statements for the year and submit these to the appropriate bodies, without reservation.	
<b>Audit Action Plan</b>	<p>The Audit Action Plan was discussed in detail. It denoted that there are 12 low level audit actions at present and one medium level, these include the actions from recent Internal Audit Reports.</p> <p>It was noted that the College considers 5 of these low-level actions fully complete with another 1 partially implemented. It was further noted that the SMT members review this document fortnightly in order that audit recommendations can be actioned, and deadlines adhered to.</p> <p>Members noted this plan, and the detailed text contained therein.</p>	Provides GCRB with assurance that audit recommendations are being tracked rigorously by members of SMT to ensure adherence to audit deadlines with full and transparent reporting being made to Audit and Risk Committee members.
<b>Audit and Risk Committee Annual Report 2023/24</b>	Members received a report providing them with an overview of the work undertaken by the Audit and Risk Committee during the academic/financial year 2023/24. The report also sought to ensure that the Board complies with guidance in this respect issued to the Further Education Sector by the Scottish Funding Council (SFC) in the Financial Memorandum. The SFC requires Glasgow Kelvin College to submit this report and its appendices by 31 December 2024, to GCRB and the SFC.	Provides GCRB with assurance that the College is compliant with guidance issued to the Further Education sector by the Scottish Funding Council in the Financial Memorandum.
<b>Risk Management Framework</b>	Members received a report that sought to provide an update in relation to the Risk Management Framework which was due to be reviewed. Furthermore, the Risk Management Framework required to be updated following the changes to the Risk Appetite/Risk Categories as per the session held with Henderson Loggie, the Audit and Risk Committee review of these and the subsequent approval at the Board of Management. There was also an audit recommendation regarding risk that required to be fully implemented and this was reflected in the Risk Management Framework also. Members noted that the Risk Management Committee reviewed the Risk Management Framework at their meeting on 5 November 2024 and training had been delivered to Team Risk Register Owners in relation to the Risk Assessment Matrix and Risk Appetite scoring which would now	Provides GCRB with assurance that key Frameworks are being reviewed and amended in line with audit recommendations. Also that risk management training is given and feedback is taken from Audit and Risk Committee members and implemented accordingly.

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	<p>allow risk owners to quickly see if they were outside the Risk Appetite set by the Board of Management.</p> <p>Members requested a change to the Risk Appetite scoring which would be undertaken by College senior management. This would be reflected in the Risk Management Framework which would be discussed at the Board of Management meeting in December 2024.</p>	
<b>Risk Management Update and College Risk Register</b>	<p>Audit and Risk Committee members received a very full and comprehensive update on all matters affecting risk across the College including Risk Management Activities, Risk Management Committee papers reviewed, previous Risk Management Committee approved minute and an overall report on the context the College was operating in.</p> <p>The Risk Management Annual Report for 2023/24 had been approved by the Risk Management Committee and had also been reviewed by the Senior Management Team.</p> <p>A full and thorough review had been undertaken of the College Strategic Risk Register - Risk Title, Residual Risk Score and colour of the fourteen risks which could impact on the College's ability to deliver its strategic ambitions. Reference was again made to the Risk Management Framework, and that that the new Risk Assessment Matrix and Risk Appetite Scoring had been applied to the College Strategic Risk Register</p> <p>Work was under way to incorporate the three Faculty registers into two.</p> <p>Following discussion, members agreed to the removal of the two risks (Industrial Action/ASOS and Credits) and to the Risks Scores/Categories and Residual Risks Scores/Categories in place.</p>	<p>Provides GCRB with notification of the various risks that the College are considering both internally and externally. Also provides assurance that Audit and Risk Committee members are being informed of all relevant matters affecting the College and are receiving sight of all relevant documentation.</p>
<b>Internal Audit Progress Report - November 2024</b>	<p>Members received a summary from Henderson Loggie regarding the progress in delivering the annual plan for 2024/25.</p>	<p>Provides GCRB with assurance that the progress of the internal audits is being</p>

Topic of Discussion	Summary and Outcome of Discussion	Impact on GCRB (if any)
		reported by Henderson Loggie and considered by the Audit and Risk Committee.
<b>Governance Update</b>	Members received a corporate governance update on various items that were being progressed at present i.e. the sale of West End Campus; cladding at Springburn Campus; Audit Scotland Fees; additional Security arrangements at Easterhouse Campus; progressing AG Lockdown's security measures in relation to Martyn's Law legislation; progress being made with the Externally Facilitated Effectiveness Review (EFER); an update on the land matter at Springburn Campus and the College's submission of the annual Public Sector Climate Change Duties Reporting return.	Provides GCRB with assurance of College governance operations and other considerations being made in this arena. Adherence to legislation and overview of all relevant documents are being attended to prudently with associated actions being carried out accordingly.
<b>Governance Action Plan - update</b>	Members received a report on the Governance Action Plan (GAP). The GAP is regularly monitored by the Secretary to the Board of Management, Director of Estates and Corporate Services and the Governance and Executive Support Manager. In terms of reporting, it is presented to the Board of Management twice per year, at its December and June meetings. It is also regularly reported through the Audit and Risk Committee. It is publicly available and is shared as required with external bodies such as Glasgow Colleges Regional Board and the Scottish Funding Council.	Provides GCRB with assurance that the Governance Action Plan is in place to support the College Board of Management in discharging its responsibilities for ensuring effective governance.
<b>Internal Audit Tender</b>	Members received a report in relation to the scope and timeline of the tender process for the Internal Audit Services contract. At this meeting it was agreed that: Henderson Loggie would be reappointed as Internal Auditors for Academic Year 2024/25; Henderson Loggie, who are top of the Audit Services Framework, would be reappointed to carry out the Student Funding and Credits Audits from 2025 to 2027, with the option to extend a further two years; and a mini competition would be carried out under the Framework for all Audit Services, (except Student Funding and Credits.) The indicative timelines and process was presented to members.	Provides GCRB with assurance that the Audit and Risk Committee are receiving reports on the tendering process and that appropriate actions are in place.



## Update from Assigned College Audit Committees

**College:** Glasgow Clyde College

**Date of Meeting:** 20 NOVEMBER 2024

Topic of Discussion	Summary and Outcome of Discussion	Impact on GCRB (if any)
College Strategic Risk Register	<p>The Chief Operating Officer (COO) provided an update on the strategic risk register. The risk in respect of industrial action has now been reduced whereas the risk of failing to manage the opportunities that Artificial Intelligence (AI) will bring, has increased.</p> <p>COO presented a risk appetite level definition, and the Committee agreed in principle that NM work on a category system with four to five levels, where each risk would align to a category.</p> <p>This work will be presented to the Board for discussion and approval.</p> <p>The Committee proposed including a risk for innovating around commercial revenue.</p>	None
Cyber Security	<p>Head of ICT highlighted that the College had no major incidents in recent months, other than the usual phishing emails and the odd virus, which were quickly resolved. Cyber activity at GCC, monitoring continues, and vigilance is still ongoing. It is due to the robust security policies that the College remains protected.</p> <p>The College are operating an All-Staff Phishing awareness campaign. This was recently approved by the Senior Leadership Team and around 80% of staff have so far been included in the scope. Any staff caught by the Phishing simulation are guided to training videos to help them spot fraudulent Phishing emails.</p>	None

Final Internal Audit Annual Report 2023-2024	<p>The Internal Auditor spoke to this item and confirmed Henderson Loggie's independence from the College and the requirement as internal auditors to provide a summary of the work undertaken in the financial year including conclusions and recommendations.</p> <p>As well as summarising the internal audit work completed during the year, Henderson Loggie provided their overall opinion which concludes that the College has adequate and effective arrangements for risk management, control and governance.</p> <p>All the internal auditor's work conducted in 2023/24 assessed systems as either 'Good' or 'Satisfactory' and provided an unqualified audit opinion.</p> <p>The Committee welcomed the internal audit report and the positive comments about the level of engagement from the finance team and other staff across the College.</p>	None
Remit Update	<p>Clerk asked the Committee to note the details of the revised draft of the Committee Remit and to approve a tracked-changed version, which will be submitted to the Board in December 2024 for approval.</p> <p>The updated remit, which places Climate Change Action Plan within the Finance and Resources Committee's remit was approved by the Committee.</p>	None
Draft Annual Financial Statements, year-ending 31st July 2024	<p>Interim Vice Principal Resources and College Development took the Committee through the various elements of the draft report and financial statements for the year to 31 July 2024. The Committee also considered the Draft Financial Statements Analysis, which provides explanations for significant financial movements between 2022/23 and 2023/24.</p> <p>The Committee considered and discussed the twelve-month period and the financial movements.</p> <p>After adjusting for non-cash items that are out with the control of the College,</p>	None

	such as pensions, net depreciation and the removal of Job Evaluation funding, the adjusted operating position for is a surplus, the equivalent of 0.4% of total income.	
External Audit Annual Report, year-ending 31st July 2024	The External Auditor noted that 2023/24 annual report and financial statements were received in line with the agreed audit timetable and were to a good standard. Budget processes during the year were appropriate, effective, and provided Board members with a good indication of the forecast year-end position. The College has a clear vision and strategy which is accessible on the College website. The College governance arrangements are appropriate, and information is made publicly available within reasonable timeframes. The College has appropriate arrangements in place to meet the best value characteristic regarding fairness and equality.	None
Key Accounting Judgments (including going concern)	<p>Interim Vice Principal Resources and College Development took the Committee through the report which provided information in relation to the key accounting judgements in the 2023/24 financial statements. Members of the Audit Committee are asked to confirm they are satisfied that the key accounting judgements outlined in the paper are appropriate for the purposes of the 2023/24 Financial Statements.</p> <p>The Committee discussed the report and confirmed that they were satisfied with the Key Accounting Adjustments.</p>	None
Student Activity Data Audit Annual Report 2023/24	It is a requirement that an audit of student activity data is completed each year for every college after the end of the academic session to verify student activity data against the SFC target. The report contains no recommendations. SP asked if the College has key person dependencies within the area of collecting and analysing data. The Internal Auditor confirmed that he is satisfied that the College has strong enough processes though the College could opt to consider an analysis of key dependencies.	None

Student Support Funds Audit Annual Report 2023/24	Henderson Loggie was able to certify all fund statements for the year and submit them to the appropriate bodies. The 2023/24 Student Support Funds Audit Report shows that all prior year points have been fully implemented. HL noted no reservations around this work.	None
Draft Annual Report from Audit Committee to Board of Management	COO spoke to the report and suggested potentially streamlining this information in future while not reducing the information prescribed by statutory bodies. Some information may be included for historical reasons and it's important to conclude what is required for 2024/25. The Committee indicated support for this view.	None