
Audit Committee Meeting

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| Date of Meeting | Tuesday 3 October 2017 |
| Paper Title | Updates from assigned college audit committees |
| Agenda Item | 14 |
| Paper Number | AC1-J |
| Responsible Officer | Robin Ashton, Executive Director |
| Status | Disclosable |
| Action | For noting |

1. Report Purpose

- 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.

3. Background

- 3.1. The Committee has requested that it receive 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 Analysis, legal implications, financial implications and Regional Outcome Agreement implications

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

Update from Assigned College Audit Committees

Glasgow Kelvin College Audit & Risk Committee 20 June 2017

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) |
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| Terms of Reference | Agreed that terms of reference would be changed to allow co-option to the Committee and that Brian Peters would be co-opted as part of a pilot project run by the Scottish Government to provide opportunities for appropriately qualified individuals to gain experience on the Boards of Public Bodies. | Note involvement in Scottish Government Pilot Project. |
| Regional Audit Planning Workshop | The Chair reported the discussions held at the Regional workshop to the Committee. It was agreed that this could help inform the self-evaluation and development of the Audit & Risk Committee. | For noting. |
| Internal Audit reports on Partnership Working and Budgetary Controls and report to GCRB on their compliance with the Financial Memorandum. | These Internal Audit Reports were discussed in detail and the positive nature of both the partnership working and Budgetary Controls reports were welcomed by the Committee. | Note Internal Audit programme at College is progressing as planned. |
| External Audit Plan | Committee discussed the External Audit Plan, agreed with the methodology outlined by the External Auditor. It was noted that the Audit fees require to be rebalanced within the Region. | Note that College has identified that its audit fees are higher than the other, larger Glasgow Colleges and expects some action to be taken. This should also take into account the positive nature of the recent audit reports. Note that the External Audit plan was agreed. |

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| Capital Investment Plan | The Committee noted good progress on existing projects and expressed concern that a number of projects would not proceed as a consequence of insufficient funding. It was noted that the College had received the totality of the funding requested for from the Glasgow Kelvin Foundation. | Note that projects now being re-priorities and risk relating to quality of provision noted. |
| Cyber Security | Report on College position in respect of recent cyber attacks and management of ICT security was considered. Comprehensive nature of this report welcomed and will be used to inform the Audit Plan and Risk Register. | For noting. |
| General Data Protection Regulations | Committee considered report on preparations for new GDPR and noted additional risks and costs associated with non-compliance after implementation of the regulations in May 2018. | Note College has plans in place for staff development and revisions to policies and procedures in order to prepare for the new regulations. |
| Workforce Plan | Committee welcomed sight of the draft strategic workforce plan which sits alongside the financial strategy to address the recommendations made in respect of longer term planning by Audit Scotland. | Note College has progressed its response to Audit Scotland's recommendation relating to long term financial and HR planning. |
| Audit Action Plan and Governance Improvement Action Plan | The committee reviewed outstanding Audit Recommendations and recognised that good progress has been made in reducing the number of outstanding recommendations. Strong progress on the Governance Improvement Action Plan was also noted. | Note Committee continues to monitor recommendations made by the Internal and External Auditor in detail. Note that an extensive Governance Improvement Plan is in place to respond to the Good Governance Framework. |
| Risk Management | The Committee reviewed the Risk Register in detail. The format of the register is now being re-considered and it there was an agreement to reduce the number of risks contained focus on the key risks facing the Board. There was agreement that the current approach to Risk Management was good within the College. | Note that the Audit & Risk Committee continues to focus on its Risk Management remit. |

College: Glasgow Clyde College
 Date of Meeting: 7th June 2017

| Topic of Discussion | Summary and Outcome of Discussion | Impact on GCRB (if any) |
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| Glasgow Region Joint Audit Committee Meeting Update | <p>The Chair provided an update to the Committee on the recent joint meeting of the Audit Committee Members from the Glasgow Region. It had been discussed at that joint meeting that the focus should be on providing GCRB with the correct assurances from the three Colleges, rather than the Assigned Colleges having to undertake additional work or significantly alter what they are doing.</p> <p>The recent GCRB internal audit on Compliance with the SFC Financial Memorandum was discussed particularly in relation to the additional requirements contained therein for the assigned Colleges with regard to the Certificate of Assurance. This was greater than other single Region Colleges reporting directly on this to SFC. It was agreed that Management would progress discussions with GCRB to clarify how the reporting requirements would work in practice.</p> | <p>GCRB to receive agreed level of assurances from assigned Colleges.</p> <p>The financial returns which are sent to SFC are copied to GCRB. Finance and Resources Committee papers on quarterly financial reporting and capital monitoring are sent to GCRB after Committee meetings. Any changes following GCRB's internal audit on the SFC financial memorandum will be taken forward by GCRB and effective for future years.</p> |
| Internal Audit Report – Student Fees | Student Fees internal audit report from Henderson Loggie which concluded that there is an overall satisfactory level of assurance in this area with no recommendations made. | |
| Internal Audit Report – Corporate Planning | Corporate Planning internal audit report from Henderson Loggie which concluded that there is an overall satisfactory level of assurance in this area, with two medium risk priority | |

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| | 2 recommendations and two minor risk priority 3 recommendations in the report. | |
| Internal Audit Plan 2016/17 Progress Update | Progress update on current year internal audit plan showing work completed and planned dates for remaining audits. In light of the External Effectiveness Review of the College Board having recently been carried out it has been agreed to defer the Corporate Governance internal audit from June to August following discussion with the Chairs of the Board of Management and Audit Committee. The scope of the audit will be a desktop review of compliance with the revised Code of Good Governance. | Note that progress against internal audit plan is monitored throughout the year. |
| Information on Global Ransomware Event and Impact | The Committee discussed this report on the recent Global Ransomware Event and acknowledged that it had had no impact on the College due to the nature of the College's equipment and the patching methods used. The Committee discussed cybersecurity. A couple of areas were highlighted in the paper where ongoing or further action was needed to ensure cybersecurity was maintained and the Committee requested these be added to the rolling audit action plan. | |
| College Strategic Risk Register | The College Strategic Risk Register is reported to each Audit Committee and discussed. | Note that the College Strategic Risk Register is reviewed at each Audit Committee. |
| External Audit Financial Planning Memorandum for Financial Year End | The external auditor, Scott Moncrieff, presented the plan for the 2016/17 Financial Year End highlighting the key areas including the scope of the audit, materiality, key audit risks and the audit fees. They indicated to the Committee that there is ongoing discussion with the Regional Board | The variance in audit fees across the Glasgow Colleges had not been discussed with the College at this point. The 2016/17 external audit fee is set for Glasgow Clyde College as per |

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| | regarding the variance in audit fees across the region. The College's fee is set by Audit Scotland and the fee in their report for 2016/17 was in the range previously set. | the planning memorandum and as per Audit Scotland rate. The College would not expect this to change significantly for future years. |
| Committee Self-Evaluation | The Chair invited the Committee to agree to the proposed method of self-evaluating the Committee and it was agreed to conduct a self-evaluation using a questionnaire to be completed by all members. | Note that the Committee is undertaking a self-evaluation process. |
| Internal and External Audit Rolling Action Plan | Regular update report to Committee on implementation of previous internal and external audit recommendations. | Note the College's Audit Committee actively reviews previous audit recommendations and management ensure these are implemented. |

College: City of Glasgow College
Date of Meeting: 13 September 2017

| Topic of Discussion | Summary and Outcome of Discussion | Impact on GCRB (if any) |
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| <p>AC1-4</p> <p>Glasgow Region Consolidated Accounts/ Delegated Powers of GCRB</p> | <p>Following clarification of the requirement and purpose of consolidated accounts from the External Auditor, the Committee sought clarification whether GCRB had the delegated power to remove members of the College Board.</p> <p>Reference was made to the College’s internal legal advice which refers to Section 24 of the 1992 Act (as amended) wherein it is stipulated that Scottish Ministers have the power to remove members for reasons of mismanagement, and that there is no reference made in section 24 to a Regional Strategic Body.</p> <p>The Committee members were concerned with the potential impact on the CoGC Board.</p> | <p>Clarification of responsibilities and governance arrangements.</p> |
| <p>AC1-5</p> <p>Committee Annual Report 2016-17</p> | <p>The high-level review of activities undertaken by the Committee during 2016-17 was reviewed.</p> | <p>n/a</p> |
| <p>AC1-6</p> <p>Board and Committee Schedule of Work</p> | <p>The Committee approved the Schedule of Approvals and Audit Committee Programme of Work for 2017-18.</p> | <p>n/a</p> |
| <p>AC1-7</p> <p>Strategic Risk Review</p> | <p>The Committee discussed the Risk Management Action Plans for high scoring Risks.</p> <p>The Committee noted the overall drift towards increased strategic risk, including three RED rated Risks, one of which is Risk 23:</p> <p>“Failure to agree a sustainable model and level of grant funding within Glasgow Region”</p> | <p>High scoring strategic risk to CoGC is directly dependent upon GCRB funding decisions, process and substantial running costs.</p> |

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| <p>AC1-8 Internal Audit (IA) Review reports AC1-9</p> | <p>The following Internal audit reports were received and discussed:</p> <ul style="list-style-type: none"> • Curriculum Planning • Planned Maintenance • Budgetary Control • IT Network Arrangements/Security • Student Admissions/MIS (Business Process Review) <p>The above reports, and the IA Progress report were noted.</p> | <p>n/a</p> |
| <p>AC1-10 National Fraud Initiative (NFI)</p> | <p>The Committee noted that that the College is voluntarily participating in the NFI, with no significant issues identified.</p> | |
| <p>AC1-12 AOCB – ESF Project Repayment Request</p> | <p>The Committee were advised that the Scottish Government managing authority for ESF Projects have requested repayment of £1 253 157.54, as the SG had failed to draw down the funding for historic (Glasgow Met College) projects. ST advised the Committee that these projects had been subject to intense scrutiny, and issues had been rectified prior to a final payment made in December 2015.</p> <p>It was considered that the College has not breached any guidelines and received no information that the project claims had been decommitted. The College is currently appealing against this request.</p> | <p>Potential negative impact on consolidated accounts</p> |