

## Draft Minute of the Audit and Assurance Committee meeting held on Tuesday 5 October 2021

<b>Present</b>	
Paul Buchanan (Chair)	
Helyn Gould	Edward McGrachen
<b>In Attendance</b>	
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)
<b>Apologies</b>	
Alastair Milloy	

### 1. Introduction and Welcome

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Paper Number: Verbal

#### 1.1 Discussion

The Chair welcomed members to the first meeting of the new academic session, particularly Helyn Gould as a new committee member.

The Chair welcomed the internal and external auditors, noting the successful appointment of Henderson Loggie as GCRBs internal auditor following the tender progress.

### 2. Apologies

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Paper Number: Verbal

#### 2.1 Discussion

Apologies were noted for Alastair Milloy.

### 3. Declarations of Interest

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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.

## 4. Chair's Business

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Paper Number: Verbal

### 4.1 Discussion

The Chair advised that he had attended the following meetings in his capacity as Audit Committee Chair, since the last meeting of the Committee:

- Board meetings (June and August);
- Committee Chairs meeting with Chair;
- Regional Review Evaluation Panel Meetings;
- Social Recovery Taskforce;
- Induction Meeting new Committee Member

## 5. Minute of the Committee meeting held on 1 June 2021 and Decisions by Correspondence

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Paper Number: AAC1-A

### 5.1 Decision

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

The Chair confirmed the decision by correspondence taken by the Committee on 12 July 2021 where the Committee **agreed** to recommend that the Board re-appoint MHA Henderson Loggie following the conclusion of a competitive tender process.

## 6. City of Glasgow College Fraud Update

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Paper Number: Verbal

### 6.1 Discussion

The Executive Director provided a verbal update on the fraud case at City of Glasgow College confirming that the criminal element of the case has now concluded with a custodial sentence. He noted that the college are further strengthening their lessons learned document and this will be shared with the Committee in due course.

### 6.2 Decision

The Committee **noted** the verbal update.

## 7. Internal Audit Progress Report 2020-21

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Paper Number: AAC1-B

### 7.1 Discussion

The internal auditor presented the paper noting that the final two pieces of work are now underway relating to stakeholder engagement and strategic planning. He confirmed that these reports will be submitted to the January meeting of the Committee.

The Committee discussed the work on strategic planning noting the overlap with the regional review work and the importance of aligning timescales.

## 7.2 Decision

The Committee **noted** the internal audit progress report 2020-21.

## 8. Follow Up Review 2020-21

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Paper Number: AAC1-C

### 8.1 Discussion

The Internal Auditor provided an overview of the report noting partial implementation of the planned work. He explained that the work to be completed is related to the regional review work and the departure of a member of staff who undertook one of the regional lead roles.

The Executive Director noted that he is trialling a different approach to regional leads given the particular resource pressure on colleges this year due to Covid-19. He explained that cross-college work is being undertaken through groups and on a project basis. The Committee discussed that moving forward it would be helpful if the report could reflect this different methodology.

### 8.2 Decision

The Committee **noted** the internal audit follow up review 2020-21 and the reasons for partial implementation.

## 9. Annual Review of Systems of Internal Control

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Paper Number: AAC1-D

### 9.1 Discussion

The Finance and Resources Director presented the annual review of systems of internal control which he reminded members is a requirement of the SFPM. He explained that the associated checklist was updated in 2021 and the GCRB Executive have reviewed the checklist and actions for the Committee's consideration and onward recommendation to the Board.

The Committee discussed the approach towards project management and it was noted that the majority of projects undertaken to date have been very small, meaning a light touch approach has been appropriate. The Executive agreed to reflect on the range of project management approaches moving forward for future project and collaborative work, as appropriate.

It was also noted that City of Glasgow College have established a project management office and any regional consistency that can be achieved should be encouraged.

### 9.2 Decision

The Committee **agreed to recommend** to the Board the annual review of the systems of internal control.

## **10. Annual Review of Value for Money Strategy**

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Paper Number: AAC1-E

### **10.1 Discussion**

The Finance and Resources Director presented the report noting that the running costs of GCRB are modest and still less than the original anticipated costs set out by the Scottish Government. In his opinion, he noted confidence that GCRB as an entity provides value for money. He noted the use of APUC for procurement purposes for the small spend associated with GCRB costs.

With regards to the wider region, the Finance and Resources Director noted that colleges are also using APUC for their procurement proposes and he has confidence that individually they are providing value for money. He noted that there are however opportunities for regional collaboration to achieve further value for money which have yet to be fully explored.

### **10.2 Decision**

The Committee **noted** GCRB's value for money strategy.

## **11. Review of Governance Framework**

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Paper Number: AAC1-F

### **11.1 Discussion**

The Board Secretary provided an overview of the report which she noted is an annual review of the regulatory environment in which GCRB operates. She confirmed that there are no significant concerns to bring to the Committee's attention.

She noted the ongoing delay to some Government reforms including the remuneration of assigned college chairs and trade union members on college boards. She noted that the 2016 code of good governance is still in place however changes are awaited. She confirmed that an update of the code of conduct is also expected to be published in December 2021.

For completeness, it was noted that there have been no whistleblowing concerns raised or data subject access requests. There have been three Freedom of Information requests that have all been resolved within timescales and no complaints have been received.

Finally, it was noted that the appointment of the Project Manager for Environment and Sustainability will enhance how GCRB is discharging its duties in this area.

The Committee discussed equalities requirements in digital and increased regulation in this area combined with the greater reliance on digital during the Covid-19 pandemic. The Board Secretary confirmed that she would look into current regulatory requirements to ensure compliance .

Whilst this report focussed on GCRB's direct compliance, the Committee also discussed GCRB's role as a regulator and the extent to which it may wish to reflect this in reporting in the future.

### 11.2 Decision

The Committee **noted** the report on the review of the governance framework.

## 12. Review of GDPR

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Paper Number: Verbal

### 12.1 Discussion

The Board Secretary provided verbal confirmation that there have been no GDPR breaches and that a full report will be submitted to the next meeting of the Committee.

### 12.2 Decision

The Committee **noted** the verbal report.

## 13. Arms' Length Foundations

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Paper Number: AAC1-G

### 13.1 Discussion

The Finance and Resources Director provided a report on the arms' length foundations further to the report the Committee received on this matter previously. He noted that Glasgow Kelvin and Clyde Colleges have only a modest sum remaining in their foundations which is expected to be utilised in the near future. He noted that the funds remaining at City of Glasgow College have remained constant and the college has a strategy to expand its commercial activity meaning there may be desire to increase funds in its foundation.

The Committee discussed possible risks when funding from foundations is exhausted. It was noted that Clyde and Kelvin colleges have been going through change processes which involve moving towards more financially sustainable operating models.

### 13.2 Decision

The Committee **noted** the report on Arms' Length Foundations.

## 14. Review of Anti-Fraud Policy

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Paper Number: AAC1-H

### 14.1 Discussion

The Finance and Resources Director presented the paper noting no significant changes suggested to the existing GCRB policy.

The Committee discussed GCRB role regionally in relation to fraud within the colleges as per the experience with City of Glasgow College. It was discussed that it may be helpful to detail GCRB responsibilities and accountabilities in these types of instances.

## 15.2 Decision

The Committee **agreed** the GCRB anti-fraud policy for its own operations. It was agreed to create a fraud response plan as an additional document for GCRB's responsibilities with its assigned colleges.

## 15. Review of Anti-Bribery Policy

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Paper Number: AAC1-I

### 15.1 Discussion

The Finance and Resources Director presented the review of the anti-bribery policy noting no allegations of bribery having being received.

### 15.2 Decision

The Committee **agreed** the anti-bribery policy.

It was suggested that a statement could be added to the end of the document to note GCRB's regional role depending on scale, which the Executive agreed to consider if appropriate.

## 16. SFC Accounts Direction

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Paper Number: AAC1-J

### 16.1 Discussion

The Finance and Resources Director presented the SFC accounts direction noting that he is in the process of working on the consolidated accounts for the region which will be presented to the next meeting of the Committee. He confirmed that there are no specific matters in this report to highlight to the Committee as out of the ordinary.

### 16.2 Decision

The Committee **noted** the report on the SFC Accounts Direction.

## 17. Updates from College Audit Committees

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Paper Number: AAC1-K

### 17.1 Discussion

The Executive Director presented the paper with updates from the college audit committees noting the variety of matters being discussed and internal audit work underway.

## 17.2 Decision

The Committee **noted** the update report.

## 18. Review of College Risk Registers

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Paper Number: AAC1-L

### 18.1 Discussion

The Finance and Resources Director presented the report noting a period of stability being reported through the college risk registers with little movement from the last review.

The Committee discussed the risks around cyber security and potential for joint mitigations in this area given the existing strong collaboration in this area.

### 18.2 Decision

The Committee **noted** the report.

## 19. Long Term Agenda

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Paper Number: AAC1-M

### 19.1 Decision

The Committee **agreed** the long-term agenda with the addition of the new three year internal audit plan.

## 20. Review of Disclosable Status

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Paper Number: Verbal

### 20.1 Decision

The Board Secretary noted that the minute of the previous meeting had been noted as non-disclosable however this can now be disclosed.

No other papers were noted as non-disclosable.

## 21. Date of Next Meeting

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Paper Number: Verbal

### 21.1 Decision

The date of the next scheduled meeting of the Committee was confirmed as 11 January 2022.