

## Audit Committee Meeting

Date of Meeting	Friday 7 October 2016
Paper Title	Annual Review of Committee Effectiveness
Agenda Item	19
Paper Number	AC1-0
Responsible Officer	Robin Ashton, GCRB Executive Director
Status	Disclosable
Action	For discussion

### 1. Report Purpose

- 1.1. Reflect on the Committee's effectiveness and suggest improvements for its future operation.

### 2. Recommendations

2.1 The Committee is invited to:

- **consider** how well it has fulfilled its terms of reference and **identify** any changes to its terms of reference it wishes to recommend to the Board;
- **discuss** the performance of the Committee Chair; and
- **identify** improvements to be made to how it conducts its business.

### 3. Terms of reference

- 3.1. The Committee's current terms of reference are attached as an annex to this paper. The Committee reviewed these at its meeting in March 2016, and a revised version was approved for recommendation to the Board.

### 4. Evaluation of Committee Chair

- 4.1. Primarily to inform the GCRB Chair's appraisal of members who are Committee chairs, it is proposed that for all GCRB Committee that:
- As part of their own annual self-evaluation, committees hold a discussion without their Chair present to allow consideration of the Committee Chair's performance;
  - A member of the Committee meets with the Committee Chair to discuss the Committee's observations. This feedback is then used to inform discussions and compliment the individual member self-appraisal during the appraisal meeting between the GCRB Chair and the Committee Chair.

**4.2.** It has been agreed by the GCRB Board that these appraisal discussions take place during the Committee meetings planned for October.

**5. Risk Analysis**

**5.1.** There are no specific risks associated with this paper.

**6. Legal Implications**

**6.1.** There are no specific legal implications associated with this paper.

**7. Financial Implications**

**7.1.** There are no specific financial implications associated with this paper.

**8. Regional Outcome Agreement Implications**

**8.1.** There are no specific implications for the Regional Outcome Agreement associated with this paper.

## **1. CONSTITUTION**

- 1.1** The audit committee is constituted as a committee of the Board of the Glasgow Colleges' Regional Board (hereinafter referred to as the Board).
- 1.2** The committee's terms of reference may be amended at any time by the Board.
- 1.3** The committee may from time to time investigate, discuss or review matters outside its terms of reference if required to do so by the Board.

## **2. AUTHORITY**

- 2.1** The committee is authorised:
- a) to seek any information it requires from any employees of Board in order to perform its duties;
  - b) to obtain, at the Board's expense, outside legal or other professional advice on any matter within its terms of reference;
  - c) to co-opt members for a period of time (not exceeding a year, and with the approval of the Board) to provide specialist skills, knowledge and experience which the committee requires at a particular time;
  - d) to invite any person to a meeting of the committee as and when required;
  - e) to have the right to publish in the directors' annual report details of any issues that cannot be resolved between the committee and the Board; and
  - f) to seek any information from its colleges which it may reasonably require for the purposes or in connection with the exercise of any of its functions.

## **3. MEMBERSHIP**

- 3.1** The committee shall be appointed by the Board from amongst its members and shall consist of not less than three members, at least one of whom shall have recent and relevant financial experience.
- 3.2** The Chair of the committee shall be appointed by the Board.
- 3.3** The Chair of the Board shall not be a member of the committee.
- 3.4** Appointments to the committee shall be for a period of up to two years, which may be extended for further periods of up to two years, provided the member still meets the criteria for membership of the committee.
- 3.5** The Board Secretary is Secretary to the committee.

## **4. ATTENDANCE AT MEETINGS**

- 4.1 The quorum necessary for the transaction of the business of the committee shall be at least two committee members.
- 4.2 Only members of the committee have the right to attend committee meetings. However, other individuals such as the Chair of the Board, members of the Board's staff, Assigned College Principals and Assigned College staff may be invited to attend all or part of any meeting, as and when appropriate.
- 4.3 At the request of the committee a representative of the external and internal auditors shall attend meetings.

## **5. FREQUENCY OF MEETINGS**

- 5.1 Meetings shall be held at least three times a year at appropriate times in the reporting and audit cycle and otherwise as required.

## **6. NOTICE OF MEETINGS**

- 6.1 Meetings of the committee shall be called by the Secretary at the request of any of its members or at the request of the external or internal auditors if they consider it necessary.
- 6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and supporting papers, shall be forwarded to each member of the committee, any other person required to attend, no later than five working days before the meeting.

## **7. MINUTES OF MEETINGS**

- 7.1 The Secretary shall minute the proceedings and decisions of all meetings of the committee, including recording the names of those present and in attendance.
- 7.2 The minutes of committee meetings shall normally be considered at the Board meeting immediately following the committee meeting.

## **8. RESPONSIBILITIES**

- 8.1 The Audit Committee will advise the Board and Accountable Officer on:
  - a) the strategic processes for risk, control and governance and the governance statement;
  - b) the accounting policies, the accounts, and the annual report of the Board, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors;
  - c) the planned activity and results of both internal and external audit;

- d) the adequacy of management response to issues identified by audit activity, including external audit's management letter/report;
- e) the effectiveness of the internal control environment;
- f) assurances relating to the corporate governance requirements for the organisation;
- g) proposals for tendering for internal audit services or for purchase of non-audit services from contractors who provide audit services; and
- h) anti-fraud policies, whistle-blowing processes, and arrangements for special investigations.

**8.2** In relation to the assigned colleges the Audit Committee will advise the Board and Accountable Officer on:

- a) The annual reports received from the assigned colleges' heads of internal audit;
- b) Any notification in relation to the appointment, removal or resignation of an internal auditor; and
- c) Any enquiries or monitoring of the assigned colleges including but not limited to situations where access to the colleges' external auditors may be required or where reports from the assigned colleges internal audit function are being considered.

**8.3** The Audit Committee will also periodically review its own effectiveness and report the results of that review to the Board and Accountable Officer.

## **9. REPORTING PROCEDURES**

**9.1** The committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

**9.2** A report of the committee's discussions shall be considered at the Board meeting following the committee meeting. A copy of minutes of the meeting may form the basis of the report.

**9.3** The committee will provide the Board with an Annual Report, timed to support finalisation of the accounts and the governance statement, summarising its conclusions from the work it has done during the year.

## **10. OTHER MATTERS**

**10.1** The committee shall:

- a) have access to sufficient resources to carry out its duties, including access to the board secretariat for assistance as required;
- b) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- c) oversee any investigation of activities which are within its terms of reference; and

- d) review its constitution and terms of reference, at least annually, to ensure it is operating at maximum effectiveness and report the results including recommendations of any changes it considers necessary to the board for approval.