

Audit Committee Meeting

Date of Meeting	Friday 11 March 2016
Paper Title	Updates from assigned college audit committees
Agenda Item	16
Paper Number	AC2-H
Responsible Officer	Martin Fairbairn, Interim Chief Officer
Status	Disclosable
Action	For discussion

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. At its meeting on 31 August the Committee requested the provision of 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. City of Glasgow College

- 4.1. The Committee met on 8 December 2015.
- 4.2. The key items considered by the Committee were:
- Annual report and accounts (and the associated audit reports).
 - Annual report on compliance with the delegated limits in the Financial Memorandum.
 - Strategic risk review.

5. Glasgow Clyde College

- 5.1. The Committee met on 25 November 2015.
- 5.2. The key items considered by the Committee were as follows:

- The financial statements for 2014/15 and associated papers. In particular Audit Scotland and Wylie and Bisset (external auditors) are undertaking some further joint work to consider the College's corporate governance position and to aim to reach their final conclusion on the corporate governance statement. The work being undertaken by Audit Scotland and Wylie and Bisset is unlikely to be completed by the end of December, hence the College's financial statements will have to be submitted to the Scottish Funding Council subject to this remaining work being completed. The possibility of a future section 22 report was highlighted. The auditors are content with the financial aspects of the accounts.
- Lessons Learned Summary from previous Special Internal Audit on Procurement - the Committee noted progress on the five agreed action points
- Internal Audit Planning 2015/16 - New internal auditor Henderson Loggie provided overview of internal audit areas which are likely to be covered in their planned work for 2015/16

6. Glasgow Kelvin College

6.1. At the meeting on 8 December 2015 the key items considered by the Committee were:

- The draft accounts for the period ended 31 July 2015 in detail and endorsed them. Concern was raised in respect of the financial position the College is currently facing.
- The Committee welcomed the External Auditor's report which indicated that the accounts had been prepared to a high standard and the migration to a single finance system had been well managed. Considerable discussion took place in respect of the recommendations and the Going Concern Statement. The Committee were also pleased to note that the College had managed the Voluntary Severance Scheme in accordance with best practice.
- The Committee reviewed the letter of representation, again in advance of it being considered by the full Board of Management later in December.
- The Committee reviewed the draft Annual Audit Report, with one change to be made prior to its submission to the Scottish Funding Council.
- The report on Governance & Financial Stewardship at the former North Glasgow College was considered in further detail, as referred to the Committee by the Board of Management.
- Progress on ICT related audit recommendations was discussed in detail and the Committee thanked Andy Laszlo, ICT Manager, for his report and attendance.
- The Audit Action plan was considered and endorsed.
- The Risk Register was considered in detail and it was recommended that an additional risk should be added in respect of Board Member recruitment and training and the ability of the College to have a fully functioning Board in place.

- It was agreed that the name of the Committee should be changed to Audit & Risk Management Committee as this would better reflect the nature of the work of the Committee, subject to Board of Management approval.
- Finally, the Committee met in private with the External Auditor.

7. Risk Analysis, legal implications, financial implications and Regional Outcome Agreement implications

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