

Audit Committee Meeting

Date of Meeting	Friday 11 March 2016
Paper Title	Draft Audit Committee annual report
Agenda Item	14
Paper Number	AC2-J
Responsible Officer	Martin Fairbairn, Interim Chief Officer
Status	Disclosable
Action	For Approval

1. Report Purpose

- 1.1. Consider the contents of the Committee's annual report to the Board of GCRB.

2. Recommendations

- 2.1. The Committee is invited to:

- **agree** the issues to be covered in its annual report;
- **agree** to delegate authority to the Chair of the Audit Committee to approve the annual report.

3. Background

- 3.1. It is recognised good practice for audit committees to produce annual reports to their boards that summarise the main issues addressed by the committee. This report will be presented to the April 2016 meeting of the Board of GCRB.

4. Suggested contents

- 4.1. The main issues considered by the Committee in relation to the annual report and accounts, including the situation with regard to governance and internal control during the 2014-15 accounting period.
- 4.2. The extent to which it has addressed the topics set out in its terms of reference.
- 4.3. The Committee's approval of the arrangements for risk management.
- 4.4. The internal audit plan for 2015-16.
- 4.5. Matters arising from the Committee's private session with the internal and external auditors.
- 4.6. The Committee's suggestions as to how its own effectiveness might be improved.

5. Risk Analysis

- 5.1.** Consideration and production of annual report by audit committees is a key part of the arrangements to ensure a proper system of governance and internal control.

6. Legal Implications

- 6.1.** Paragraph 17 of the Financial Memorandum between the Scottish Funding Council and GCRB requires GCRB to have an audit committee.

7. Financial Implications

- 7.1.** There are no specific financial considerations arising from this paper.

8. Regional Outcome Agreement Implications

- 8.1.** Through the conditions of grant associated with the Regional Outcome Agreement, GCRB and the assigned colleges are required to conduct their affairs in accordance with the expected standards of good governance, which include operating appropriate audit arrangements.