

## Board of Management

### Meeting of the Audit Committee

MINUTE OF 3<sup>rd</sup> MEETING HELD ON WEDNESDAY 21 FEBRUARY 2018 AT 1700 HRS  
(AC3)

Present	
George Black (GB)	Graham Mitchell (GM)
Colin McMurray (CM) (Convener)	Anne Peters (AP)
In attendance	
David Archibald, Henderson Loggie (SI, IA)	Stuart Thompson (ST)
Paul Clark, College Secretary (PC)	Alex Stewart (AS)
Gary Devlin, Scott-Moncrieff (GD, EA)	
Paul Little (PL)	Ann Butcher (AB) (Minute)
Apologies for absence	
Eric Tottman-Trayner (ETT)	

Item AC3-1	Apologies for Absence	
Paper No:	Lead: Convener	Action requested: Note
Decision/Noted	Apologies were received from ETT.	

Item AC3-2	Declarations of Interest	
Paper No:	Lead: Convener	Action requested: Note
Decision/Noted	None.	

Item AC3-3	Items to be Discussed Privately with Auditors	
Paper No:	Lead: Convener	Action requested: Note
Decision/Noted	There were no items raised to be discussed privately with the auditors. Members agreed that this item would remain on the agenda as a standing item. Any future items raised would be taken privately with auditors at the end of the relevant meeting.	

Item AC3-4	Minute of the Audit Committee meeting held on 15 November 2017	
Paper No: AC3-A	Lead: Convener	Action requested: Approve
Decision/Noted	Subject to one minor amendment, the minute was approved.	

Item AC3-5		Internal Audit Annual Audit Plan 2017-18	
Paper No: AC3-B	Lead: D Archibald	Action requested: Approve	
Discussion/ Matters Arising	DA advised that SMT have now provided relevant feedback on the previously submitted Internal Audit Plan. Audit start dates have now been confirmed with no other changes being made. It is anticipated that the Plan for 18-19 will be submitted earlier in the next academic year.		
Decision/Noted	To approve the Internal Audit Annual Plan 2017-18.		

Item AC3-6		Strategic Risk Review	
Paper No: AC3-C	Lead: P Clark	Action requested: Discuss	
Discussion/ Matters Arising	<p>PC reminded members that the Strategic Risk Review was deferred at the last meeting of the full Board. The report was therefore submitted to the Audit Committee as an update on any proposed risk score alterations or other recent changes.</p> <p>The Risk Management Action Plans (MAPs) for Risk 11, 12, 15, 16, 21, 23 and 24 and proposed changes were reviewed.</p> <p>PC particularly highlighted Risk 16 – ‘Failure to maximise income via diversification’ and advised on the proposed review change by the Development Committee (DC) from 3x3 (9) AMBER to 2x3 (6) AMBER. He suggested that members may wish to review this further in light of the financial context discussed at the Board Planning Day on 14 02 18.</p> <p>Discussion followed on the Audit Committee’s position to undertake review recommendations over the relevant Board Committee. Members were reminded that under their Terms of Reference, the Audit Committee would ‘monitor and review the College’s Strategic Risks and review Risk Management Action Plans as appropriate’. It was agreed that the DC further review the Risk Score for Risk 16. This would also apply to Risk Score changes proposed by Risk owners.</p> <p>The Committee was reminded that a specific Risk in relation to ‘Failure of Compliance with the General Data Protection Regulations’ (Risk 24) had been agreed. The Risk Score (2x5) (10) AMBER was approved.</p> <p>GD questioned the continued requirement for Risk 18 ‘Impact of ONS reclassification on the status of Colleges’, highlighting that this has now been fully adopted by the Scottish Government. GD suggested that anything ongoing ie net depreciation issues should be considered separately. It was agreed that the impact of Risk 18 be reduced to 2 with the overall Risk Score being reduced to GREEN. The Risk would therefore become a Level 2 risk and would be removed from the top level risk group.</p>		
Decision/Noted	<ul style="list-style-type: none"> <li>To note the proposed risk score changes and associated MAPs which will be reviewed by the relevant Committee.</li> </ul>		

<b>Item AC3-7</b>		<b>Committee Terms of Reference Review</b>	
<b>Paper No: AC3-D</b>	Lead: P Clark	Action requested: Discuss	
<b>Discussion/ Matters Arising</b>	<p>The current Terms of Reference were reviewed by members. GD reminded the Committee that Glasgow Colleges' Regional Board had now received fundable body status, and suggested that Point 15 should be amended to reflect this - ie that the Committee operates in compliance with the terms of the Regional Board and SFC Financial Memorandums.</p> <p>This was agreed.</p>		
<b>Decision/Noted</b>	To recommend that proposed change for approval by the full Board.		

<b>Item AC3-8</b>		<b>Internal Audit Review Reports</b>	
<b>Item AC3-8.1</b>		<b>Teaching Staff Utilisation/Timetabling</b>	
<b>Paper No: AC3-E</b>	Lead: D Archibald	Action requested: Discuss	
<b>Discussion/ Matters Arising</b>	<p>DA updated the Committee following the review of the management and monitoring of teaching staff utilisation and timetabling. The current approach was compared to best practice, including systems and procedures with the overall level of assurance being satisfactory with some weaknesses present.</p> <p>Three low priority and two areas requiring improvement have been identified.. It was highlighted that Faculty Directors and VP Student Experience should periodically review the staff utilisation reports. Further low priority recommendations were also noted. All recommendations have been accepted and will be actioned.</p>		
<b>Decision/Noted</b>	To note the Report.		

<b>Item AC3-9</b>		<b>Report on Whistleblowing Allegation</b>	
<b>Paper No: AC3-F</b>	Lead: P Little	Action requested: Discuss	
<b>Discussion/ Matters Arising</b>	<p>PL informed members on the outcomes from an anonymous allegation which was dealt with in accordance with the College Whistleblowing Procedure. Following the investigation it was recommended that no further College procedure should be invoked and that all actions noted by Scott Moncrieff would be implemented.</p>		
<b>Decision/Noted</b>	<ul style="list-style-type: none"> <li>• To note the recommendations made within the Report.</li> <li>• To update the relevant IT Equipment processes for feedback at the next meeting.</li> </ul>		

<b>Item AC3-10</b>		<b>ESF Project – Repayment</b>	
<b>Paper No: Verbal</b>	Lead: S Thompson	Action requested: Note	
<b>Discussion/ Matters Arising</b>	<p>ST reminded the Committee that the College had been granted an extension on sign-off of the Annual Accounts for 2016-17 pending the outcome of the decision on the College's appeal against the request for the historical ESF Project repayment of £1.2m. Under the requirement made by Scott Moncrieff, the outcome decision (including written confirmation) must be received by this Friday (23 02 18). If this deadline is not met, a technical non-compliance will be issued by the External Auditor. This may also lead to a Section 22 report being prepared by the Auditor General. A response is anticipated by 23 02 18 and will be communicated to Board members.</p>		
<b>Decision/Noted</b>	<ul style="list-style-type: none"> <li>• To note the update report.</li> <li>• To email Board members following the outcome of the decision.</li> </ul>		

<b>Item AC3-11</b>		<b>Report on Financial Regulations Authorised Limits</b>	
<b>Paper No: AC3-G</b>	Lead: S Thompson	Action requested: Note	
<b>Discussion/ Matters Arising</b>	<p>Details of specific College expenditure relating to public relations, overseas travel, hospitality/entertainment and external consultancy for 2016-17 were submitted.</p> <p>GM made reference to the level of entertainment expenditure involving both staff and Board members which should be considered as taxable. ST reminded the Committee that where external visitors are involved, all entertainment/hospitality expenditure is treated as non-taxable; however it was suggested that this should be considered in more detail. It was also noted that any travel and accommodation payments made by external companies should be recorded as gift payments where appropriate.</p> <p>It was noted that some of the information within the overseas travel was incomplete. It was agreed that this matter be addressed. AP also questioned the late completion date for travel risk assessments. ST advised that the risk is assessed near the date of travel to ensure that the most up to date information is considered.</p> <p>GD suggested that in order to provide some reassurance, an internal audit should be undertaken on College expenditure particularly in relation to the areas detailed within this report. This was agreed and will be included within the Internal Audit Plan.</p>		
<b>Decision/Noted</b>	<ul style="list-style-type: none"> <li>• To note the report.</li> <li>• To consider inclusion of an additional internal audit as agreed.</li> </ul>		

<b>Item AC3-12</b>		<b>Any Other Notified Business</b>	
<b>Paper No: Verbal</b>	Lead: S Thompson	Action requested: Note	
<b>Decision/Noted</b>	There was no other notified business.		

<b>Item AC3-13</b>	<b>Disclosability of Papers</b>	
Paper No:	Lead: P Clark	Action requested: Note
Decision/Noted	It was agreed that Papers AC3-A, AC3-F and AC3-G were non disclosable.	

<b>Item AC3-14</b>	<b>Date of Next Meeting</b>	
Paper No:	Lead:	Action requested: Note
Decision/Noted	Wednesday 16 May 2018	

*The meeting closed at 1840 hours.*

## ACTION POINTS ARISING FROM THE MEETING

Item	Description	Owner	Target Date
AC3-6	<b>Strategic Risk Review:</b> Submit any proposed changes to relevant Committee for review.	PC	Ongoing
AC3-7	<b>Committee ToRs:</b> Submit proposed change to BoM for approval.	PC	06 04 18
AC3-9	<b>Report on Whistleblowing Allegation:</b> Submit updated IT Equipment processes for feedback at the next meeting.	PC/FS	16 05 18
AC3-10	<b>ESF Project – Repayment:</b> Email Board members following the outcome of the decision.	PC/ST	23 02 18
AC3-11	<b>Report on Financial Regulations Authorised Limits:</b> Include College Expenditure audit within the current Internal Audit Plan.	ST/DA	ASAP

## ACTION POINTS ARISING FROM PREVIOUS MEETINGS

Item	Description	Owner	Target Date
AC2-11	<b>ESF Project – Repayment:</b> Seek approval from Chair & Principal to extend the approval date for the Annual Accounts.	ST	Urgent <b>Complete</b>
AC2-9	<b>Annual Internal Audit Plan 2017-18:</b> Submit to SMT for feedback and circulate final Plan to members.	ST	Next meeting of SMT <b>Complete</b>
AC2-14	<b>AONB – Annual Report &amp; Accounts 2016-17:</b> Refer decision on the advanced provision of the Annual Accounts to GCRB.	ST/PL	Urgent <b>Complete</b>