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## Audit and Assurance Committee Meeting

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| Date of Meeting     | Thursday 20 October 2022                         |
| Paper Title         | Implementation of Internal Audit Recommendations |
| Agenda Item         | 6  |
| Paper Number        | AAC1-B   |
| Responsible Officer | Jim Godfrey, Finance & Resources Director        |
| Recommended Status  | Disclosable                                      |
| Action              | For Noting                                       |

### 1. Executive Summary

- 1.1.** This report provides a summary of progress in respect of the recommendations arising from the work of the internal auditor.

### 2. Recommendations

- 2.1.** The Committee is invited to **note** the progress made to implement the recommendations of previous internal audit reports, including updates agreed with internal auditor.

### **3. Report**

- 3.1.** The committee receives reports from the internal auditor relating to the work undertaken in each financial year. The auditor made a number of recommendations that were accepted. Progress against each recommendation<sup>1</sup> is shown in the annex to this report, and has been agreed with the internal auditor.
- 3.2.** Please note that this report only includes the recommendations arising from the internal audit report in 2021-22. The recommendations, relating to earlier reports, are covered in the internal audit follow-up report (elsewhere on this agenda). At the next meeting, of the committee, this report will include progress against all recommendations.

### **4. Risk and Compliance Analysis**

- 4.1.** The report provides evidence that GCRB has responded to the improvements identified by internal audit and action taken.
- 4.2.** There are no specific legal implications arising from this report.

### **5. Financial and Resource Analysis**

- 5.1.** The provision of internal audit is a necessary component of an organisation's overall governance arrangements with regard to both financial and other matters. The resource required to implement these recommendations is borne within the operating budget of GCRB.

### **6. Equalities Implications**

- 6.1.** There are no equalities implications arising from this report.

### **7. Learner Implications**

- 7.1.** Through the regional outcome agreement, and associated requirements, GCRB has to have effective governance arrangements, of which internal audit is part.

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<sup>1</sup> Recommendations that have been fully implemented are not shown in the Annex.

| Audit Report                                   | Recommendation   | Management Response   | Progress Update  |
|--|--|---|--|
| <p><b>Organisation Specific Governance</b></p> | <p><b>R1</b> We would recommend that the Glasgow College Region Memorandum of Understanding (MoU) is subject to a region-wide collaborative consultation to ensure that it remains fit for purpose. As part of the consultation around potential revisions to the current wording, the possibility of including specific wording around reporting routes, format of reporting, and timelines for reporting for different types of events (as described as reportable events in the Financial memorandum with SFC and GCRB) should be explored.</p> | <p>The Regional Memorandum of Understanding will be reviewed in collaboration with representatives of the three assigned colleges.</p> <p><b>To be actioned by:</b><br/>GCRB Board Chair &amp; Executive Director</p> <p><b>No later than:</b><br/>31 December 2022</p>   | <p>There has been limited progress to date but work is expected to take place in the final quarter of 2022.</p>  |
| <p><b>Organisation Specific Governance</b></p> | <p><b>R2</b> The next iteration of the Financial Memorandum between GCRB and the three assigned Colleges should clearly articulate the role of the GCRB Board and Audit Committee in evaluating and reporting significant events to the SFC and the terms of reference for the Audit and assurance Committee should be updated to reflect the role of the committee in evaluating evidence prior to reporting to SFC.</p>  | <p>The SFC are undertaking a review of its Financial Memorandum with colleges and college regions. These changes will impact on, and be reflected in, the Financial Memorandum between GCRB and the three assigned colleges.</p> <p><b>To be actioned by:</b><br/>GCRB Finance &amp; Resources Director</p> <p><b>No later than:</b><br/>31 December 2022</p> | <p>The revised Financial Memorandum has not yet been provided by the SFC. This work has been in progress for a number of years now and it is possible that this will not be issued in 2022.</p> <p>Email correspondence with SFC at the end of September 2022 confirmed that there has been no recent progress on the national review of the Financial Memorandum.</p> |