

Audit and Assurance Committee Meeting

Date of Meeting	Tuesday 10 October 2023
Paper Title	Internal Audit Recommendations
Agenda Item	6
Paper Number	AAC1-B
Responsible Officer	Jim Godfrey, Finance and Resources Director
Status	Disclosable
Action	For noting

1. Executive Summary

- 1.1.** The report provides the committee with the opportunity to consider the report, which reviews previous internal audit recommendations.

2. Recommendations

- 2.1.** The Committee is invited to **note** the progress made against the previous internal audit recommendations.

3. Report

- 3.1.** The amended internal audit recommendations were approved by this committee at its previous meeting. The attached annex provides an update of progress against these recommendations over the last six months.

4. Risk and Compliance Analysis

- 4.1.** The work of the internal auditor is informed by an assessment of risk. The approach to audit planning reflects an overall assessment of the relevant risks that apply to GCRB. This ensures that the audit focuses on the areas of highest risk.
- 4.2.** There are no legal implications because of this report.

5. Financial and Resource Analysis

- 5.1.** There are no financial implications because of this report. However, the implementation of these recommendations will require the investment of time and potentially additional cost.

6. Equalities Implications

- 6.1.** There are no equalities implications as a direct result of this report.

7. Learner Implications

- 7.1.** Through the conditions of grant associated with the Regional Outcome Agreement, GCRB is required to conduct its affairs in accordance with the expected standards of good governance, which includes independent scrutiny and audit.

Reset of internal audit recommendations

Internal audit report	Original Recommendation	Revised Recommendation	Updated Management Response
<p>Shared Services</p> <p>Report 2020/03 issued in November 2020</p>	<p>R1 In order to progress the shared services agenda within the Glasgow colleges region, we should suggest a two-step approach to reinvigorate and facilitate the shared service discussion as follows:</p> <p>Step 1 - the GCRB Executive should consider leading the establishment of a regional working group which specifically focuses on identifying opportunities for shared services across the Glasgow colleges region.</p> <p>Step 2 - the GCRB Board should then consider the role which it should play if a consensus cannot be reached on how to implement the shared services initiatives identified. Any intervention by the Board would be informed by an analysis of any potential benefits; the barriers which may prevent opportunities being realised; and the resource requirements, from all parties, which are needed to achieve successful implementation.</p>	<p>R1 Appropriate mechanisms should be put in place to allow opportunities for shared services across the Glasgow colleges to be identified and delivered.</p>	<p>The original recommendation and revised recommendation will be shared with Scottish Funding Council (SFC) as they consider, along with the Minister, the appropriate outcome of the Glasgow college region review.</p> <p>Revised completion date: Recommendations will be collated and communicated to SFC by September 2023.</p>
<p>Risk Management</p> <p>Report 2020/05 issued in November 2020</p>	<p>R4 As part of the work to develop the refreshed Strategic Plan for GCRB, a session should be held to revisit the Board's risk appetite in order to ensure that there is alignment with the new strategic priorities and to ensure that the risk appetite levels set out in the Risk Management Guidance are a true reflection of the agreed risk appetite of the Board moving forward.</p>	<p>R4 A session should be held to revisit the Board's risk register and to consider the risk appetite, in order to ensure that there is alignment with the new strategic priorities and to ensure that the risk appetite levels set out in the Risk Management Guidance are a true reflection of the agreed risk appetite of the Board moving forward.</p>	<p>This approach is agreed, and a GCRB risk workshop has been arranged after the summer break. This will allow a refresh of risks and for the Audit and Assurance Committee to subsequently consider and recommend risk appetite as per the direction of the Chair.</p> <p>Revised completion date: Workshop planned for September 2023, and risk workshop to be completed at following Audit and Assurance Committee.</p>

Reset of internal audit recommendations

Internal audit report	Original Recommendation	Revised Recommendation	Updated Management Response
<p>Strategic Planning</p> <p>Report 2021/04 issued in January 2022</p>	<p>R1 A Project Plan should be developed, in collaboration with key stakeholders, which sets out clearly the expected input from each of these stakeholders at key milestones in the development of the new Regional Strategy.</p>	<p>No change to recommendation required.</p>	<p>Action completed. Papers shared with Internal Auditor.</p>
	<p>R2 The production of a detailed timeline, which sets out the points at which information will be shared with College Boards and the timeline for responding, in order to meet agreed milestones, should be prioritised.</p>	<p>No change to recommendation required.</p>	<p>Action completed. Papers shared with Internal Auditor.</p>
	<p>R3 An evaluation of the existing Regional Strategy should be undertaken to identify: a) the elements of the existing strategy which will not be reflected in the new Regional Strategy; b) the elements of the existing strategy which will transition into the new Regional Strategy. Clear linkages should be made in the new Regional Strategy to make sure that stakeholders are clear on where these issues will be picked up in the new strategic priorities.</p>	<p>No change to recommendation required.</p>	<p>Action completed. Papers shared with Internal Auditor.</p>

Reset of internal audit recommendations

Internal audit report	Original Recommendation	Revised Recommendation	Updated Management Response
<p>Shared Services</p> <p>Report 2020/03 issued in November 2020</p>	<p>R4 As an integral part of the new Regional Strategy the role of stakeholders in developing and agreeing the suite of performance metrics and targets, which will be used to monitor delivery of the Regional Strategy, should be defined in a way which clearly articulates the elements which are set nationally and the process for developing the elements which can be set locally.</p>	<p>Combined R4, R1 and R1 - The role of stakeholders in developing and agreeing the suite of performance metrics and targets, which will be used to monitor delivery of the Regional Strategy, should be defined in a way which clearly articulates the elements which are set nationally and the process for developing the elements which can be set locally. This work should include the development of specific performance metrics and targets for stakeholder engagement and partnership working which will allow the impact of this activity to be measures and reported on. In addition, a Stakeholder Communication Plan should be developed, as an integral part of the planning process for future iterations of the ROA, to ensure effective and comprehensive engagement with key stakeholders moving forward.</p>	<p>Revised recommendation accepted. As above, the recommendation will be shared with SFC to inform on-going development work on the replacement of the Outcome Agreement approach.</p> <p>If relevant in 2023-24, it is recommended that a GCRB working group be formed to develop a Glasgow region-specific set of proposed performance metrics for the consideration of the board.</p> <p>A stakeholder mapping exercise has already been completed, and a communication plan for engagement would be developed in the next academic year.</p> <p>Revised completion date: December 2023</p>
<p>Stakeholder Mapping / Engagement</p> <p>Report 2021/05 issued in January 2022</p>	<p>R1 – As an integral part of the work to develop the performance metrics and targets for the new Regional Strategy specific performance metrics and targets should be developed for stakeholder engagement and partnership working which will allow the impact of this activity to be measures and reported on. These performance measures and targets should be shared and agreed with key stakeholders.</p>		
<p>Influencing ROA Development</p> <p>Report 2022/07 issued in January 2023</p>	<p>R1 – A Stakeholder Communication Plan should be developed, as an integral part of the planning process for future iterations of the ROA, to ensure effective and comprehensive engagement with key stakeholders moving forward.</p>		

Reset of internal audit recommendations

Internal audit report	Original Recommendation	Revised Recommendation	Updated Management Response
GCRB Organisation Specific Governance Report 2022/02 issued in May 2022	R1 – 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.	R1 – We would recommend that the Memorandum of Understanding (MoU) is subject to a Glasgow-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) should be explored.	The original recommendation and revised recommendation will be shared with Scottish Funding Council (SFC) as they consider, along with the Minister, the appropriate outcome of the Glasgow college region review. Revised completion date: September 2023
	R2 – 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.	R2 – The next iteration of the Financial Memorandum between the relevant governance body and the three Glasgow Colleges should clearly articulate the role of the appropriate governance mechanism in evaluating and reporting significant events.	The original recommendation and revised recommendation will be shared with Scottish Funding Council (SFC) as they consider, along with the Minister, the appropriate outcome of the Glasgow college region review. Revised completion date: September 2023
Disaster Recovery Report 2022/06 issued in January 2023	R1 – All three Colleges should be asked by GCRB to complete an annual return which confirms that there are effective disaster recovery arrangements in place and that these have been subject to appropriate testing during the year in question. The lessons learned from these testing exercises should also be gathered from each of the Colleges to allow GCRB to determine whether a regional approach would be beneficial to address any issues identified. The outcomes from this annual exercise should be reported to the GCRB Audit and Assurance Committee.	R1 – All three Colleges should be asked by the relevant governance body to complete an annual return which confirms that there are effective disaster recovery arrangements in place and that these have been subject to appropriate testing during the year in question. The lessons learned from these testing exercises should also be gathered from each of the Colleges to allow the relevant governance body to determine whether a shared Glasgow-wide approach would be beneficial to address any issues identified. The outcomes from this annual exercise should be reported to the relevant governance body.	The original recommendation and revised recommendation will be shared with Scottish Funding Council (SFC) as they consider, along with the Minister, the appropriate outcome of the Glasgow college region review. Revised completion date: September 2023