![GCRB | Glasgow Colleges' Regional Board]

Audit and Assurance Committee Meeting

Date of Meeting	Tuesday 11 January 2022
Paper Title	Implementation of Internal Audit Recommendations
Agenda Item	6
Paper Number	AAC2-B
Responsible Officer	Jim Godfrey, Finance & Resources Director
Recommended Status	Disclosable
Action	For Decision

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.

- **comment** on and **approve** the revised implementation dates for the three recommendations set out in this report.

3. Report

3.1. The committee received several reports from the Internal Auditor relating to the financial year 2019-20. The auditor made a number of recommendations that were accepted. Progress against each recommendation is shown in the Annex to this report.

3.2. The review of the Glasgow college region has had an impact on several of the recommendations. As a result, it is recommended that the timescales for completion of three actions are extended as follows:

Internal Audit Report	Recommendation	Original Completion Date	Revised Completion Date	Lead
Collaborative Training	R1	28 February 2021	17 December 2021	Executive Director
Collaborative Training	R2	31 July 2021	17 December 2021	Executive Director
Shared Services	R1	30 June 2021	17 December 2021	Executive Director & Board Chair

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.

Audit Report	Recommendation	Management Response	Progress Update
Collaborative Training	**R1** The Regional OD Group should be reconstituted, with a new Chair appointed to lead the Group and develop delivery plans to finish the outstanding elements from the agreed 2019/20 Collaborative Training Plan.	We will address this via a review of the Regional Lead roles and responsibilities. **To be actioned by:** Executive Director **No later than:** Original implementation date 28 February 2021 was subsequently revised to 17 December 2021. Contact has now been made across the colleges to explore best options and fit for this group, and updates will be provided as it is developed.	Regional Lead facility has been changed and is no longer available. In its place, GCRB is commencing discussion to identify the best place, or existing grouping, to consider, and then make recommendations on implementation of the Collaborative Training Plan. Existing examples of good practice can be drawn on, including joint work with CWT, ESOL etc to provide a collaborative space to identify and share opportunities. Contact has now been made across the colleges to explore best options and fit for this group, and updates will be provided as it is developed. We are currently seeking the best forum to avoid duplication of work, while more effectively developing shared offerings wherever possible.

Audit Report	Recommendation	Management Response	Progress Update
Collaborative Training	**R2** The reconstituted Regional OD Group, as part of any future planning activity, should undertake an evaluation of the elements of the 2019/20 training plans that have been delivered in order to assess the effectiveness of the initiatives assessed and to identify any further work required in these areas. To measure the success of the collaborative initiatives and plans delivered by the Regional OD Group clear and measurable criteria should be established. These should be used to measure the success of the delivered plans for collaborative training and identify opportunities to improve the delivery of future shared serviced initiatives across GCRB.	This recommendation will be progressed by the Regional Lead for OD (under the guidance of the GCRB Executive Director). **To be actioned by:** Executive Director **No later than:** Original implementation date 30 June 2021 was subsequently revised to 17 December 2021.	As per above, for initial consideration at appropriate group, with recommendations to be made by GCRB Executive Director and shared with GCG Principals/Executive Group for action. After initial consideration, discussion and a report will be considered by GCG PEG in early 2022. Progress has been limited by impact of Covid-19 and the need to take a realistic and balanced approach to the capacity of staff in significantly restricted circumstances.

Audit Report	Recommendation	Management Response	Progress Update
Risk Management	**R1** The role and remit of the Audit and Assurance Committee should be reviewed to ensure that it properly articulates the role of the Committee in overseeing the risks identified by the three assigned Colleges and the way in which these deliberations should feed into the Board discussions around risk. These responsibilities should also be reflected in the assurances provided around the risk management arrangements, and specifically the description of remit of the Audit and Assurance Committee in relation to risk management, contained within the Annual Report and Consolidated Statements and should be reflected in the next iteration of the Risk Management Policy and Procedure.	The Risk Management Policy and Procedure will be revised. **To be actioned by:** Finance & Resources Director **No later than:** Original implementation date 30 June 2021 was subsequently revised to 24 January 2022.	The latest Risk Management Policy and Procedure was approved by the Audit and Assurance Committee on 1 June 2021 although was not updated to set out the Committee's role in overseeing the risks identified by the assigned colleges, similar to what has been included in the Terms of Reference and Annual Report. Management propose to make this change for the next meeting of the Committee in January 2022 and then seek the approval of the Board.
Risk Management	**R2** The covering paper prepared to accompany the Strategic Risk Register should be adapted to signpost Board members to any risks where the residual risk level exceeds the agreed risk appetite level.	The covering paper will be amended to incorporate this recommendation. **To be actioned by:** Executive Director **No later than:** Original implementation date 25 January 2021 was subsequently revised to 29 November 2021.	New Board template for papers being introduced for the 2021/22 academic session. The next GCRB risk paper will be presented to the Board at the end of November and will reflect this recommendation.

Audit Report	Recommendation	Management Response	Progress Update
Shared Services	**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: 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. 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.	The two-step process is agreed and will be progressed as an important component of the Review of Coherent Provision and Sustainability of the Glasgow College Region. **To be actioned by:** Step 1 – Executive Director Step 2 – GCRB Chair **No later than:** Original implementation date 30 June 2021 was subsequently revised to 17 December 2021.	Shared Services has been included in the remit of the Review of the Glasgow college system and is therefore being considered by the GCRB Board. In addition, it is included in the remit for tender of external consultants to deliver an options appraisal process for the regional review. The Board and options appraisal processes are currently developing activity in line with Step 1 recommendation to consider opportunities. This will progress to Stage 2, as the options appraisal work will provide analysis to inform Board decision and direct future work in line with the SFC directions around future sustainability and financial viability of the Glasgow colleges. In November/December 2021 Scottish Funding Council took the decision to halt GCRB's progress towards delivery of the review work including the appointment of the external consultant. GCRB is currently awaiting SFC update on next steps, which includes implications for areas including shared services. This work has been progressed as far as realistic in current position.