

## Audit and Assurance Committee Meeting

Date of Meeting	Tuesday 16 January 2024
Paper Title	Internal Audit Report – Follow-up Review
Agenda Item	6
Paper Number	AAC2-B
Responsible Officer	Jim Godfrey, Finance & Resources Director
Status	Disclosable
Action	For Noting and Comment

### 1. Executive Summary

1.1. The internal audit report on the follow-up of previous recommendations has been prepared by Henderson Loggie and is provided to the committee for consideration.

### 2. Recommendations

2.1. The committee is invited to:

- **consider** the internal audit report on the follow-up of previous recommendations and **comment** as appropriate.
- **note** that six recommendations have been fully implemented with the remaining three partially implemented with revised completion dates.

### **3. Report**

**3.1.** The Internal Auditor has undertaken a review of the previous recommendations and provided a follow-up report. This activity is consistent with the scope of work approved by this committee at its meeting on 18 April 2023. The attached report shows the key findings and recommendations.

### **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.** The internal audit programme 2022-23 is based upon a requirement of 17 days per annum. This report was scheduled to utilise 1 day of the 2022-23 allocation. The cost per day is based upon the price previously tendered by Henderson Loggie.

### **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.

# Glasgow Colleges Regional Board

## Follow Up Reviews 2022/23

Internal Audit report No: 2023/04

Draft issued: 21 December 2023

Final issued: 22 December 2023



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# Management Summary

## Introduction and Background

As part of the Internal Audit programme for the Glasgow Colleges Regional Board ('the Board') for 2022/23, we have carried out a follow-up review of the recommendations made in the Internal Audit reports issued during 2021/22, which included recommendations from earlier reports where previous follow-up identified that the recommendations were outstanding. These were:

- Internal Audit Report 2022/02 – GCRB Organisation Specific Governance;
- Internal Audit Report 2022/04 – Follow Up Reviews 2021/22;
- Internal Audit Report 2022/06 – Disaster Recovery; and
- Internal Audit Report 2022/07 – Influencing ROA Development.

Recommendations made in the reports listed above were revised in May 2023 and an updated management response was provided for each. This report reflects the recommendations and management responses as they were following the May 2023 revision.

There were no recommendations in reports 2022/01 – Annual Plan 2022/23, 2022/03 – Oversight of Programme of Action, 2022/05 - Summary Report on the Internal Audit Annual Reports for the Glasgow Region Assigned Colleges for 2021/22, and 2022/08 – Annual Report 2022/23, and as such no follow up has been undertaken for these reports.

## Objectives of the Audit

The objective of each of our follow-up reviews is to assess whether recommendations made in previous reports have been appropriately implemented and to ensure that, where little or no progress has been made towards implementation, that plans are in place to progress them.

## Audit Approach

For the recommendations made in each of the reports listed above we ascertained by enquiry or sample testing, as appropriate, whether they had been completed or what stage they had reached in terms of completion and whether the due date needed to be revised.

Action plans from the original reports, updated to include a column for progress made to date, are appended to this report.

## Overall Conclusion

Overall, the Board has made good progress in implementing actions that are past their completion date. Six recommendations (67%) have been assessed as fully implemented. Three recommendations (33%) have been assessed as partially implemented and will be followed up again as part of the internal audit plan for 2023/24.



## Overall Conclusion (conclusion)

Our findings from each of the follow-up reviews has been summarised below:

From Original Reports			From Follow-Up Work Performed				
Area	Rec. Priority	Number Agreed	Fully Implemented	Partially Implemented	Little or No Progress Made	Not Past Agreed Completion Date	Considered But Not Implemented
2022/04 – Follow Up Reviews 2021/22 (and 2022/07 – Influencing ROA Development)	1	-	-	-	-	-	-
	2	1	1	-	-	-	-
	3	5	4	1	-	-	-
<b>Total</b>		<b>6</b>	<b>5</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>
2022/02 – GCRB Organisation Specific Governance	1	-	-	-	-	-	-
	2	2	1	1	-	-	-
	3	-	-	-	-	-	-
<b>Total</b>		<b>2</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>
2022/06 – Disaster Recovery	1	-	-	-	-	-	-
	2	1	-	1	-	-	-
	3	-	-	-	-	-	-
<b>Total</b>		<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Totals</b>		<b>9</b>	<b>6</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>

The grades, as detailed below, denote the level of importance that should have been given to each recommendation within the internal audit reports:

<b>Priority 1</b>	Issue subjecting the organisation to material risk and which requires to be brought to the attention of management and the Audit and Assurance Committee.
<b>Priority 2</b>	Issue subjecting the organisation to significant risk and which should be addressed by management.
<b>Priority 3</b>	Matters subjecting the organisation to minor risk or which, if addressed, will enhance efficiency and effectiveness.

## Acknowledgements

We would like to thank all staff for the co-operation and assistance we received during the course of our reviews.



## Appendix I - Updated Action Plan

### Internal Audit Report 2022/04 - Follow Up Reviews 2021/22 and 2022/07 – Influencing ROA Development

Recommendation Revised May 2023	Priority	Management Response Revised May 2023	To Be Actioned By	No Later Than	Progress Previously Reported	Progress at November 2023
<b>Report No. 2020/03 – Shared Services</b>						
R1 Appropriate mechanisms should be put in place to allow opportunities for shared services across the Glasgow colleges to be identified and delivered.	2	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.	Step 1 – Executive Director  Step 2 – GCRB Chair	<b>Original:</b> 30 June 2021  <b>Revised timescale at May 2023:</b> Recommendations will be collated and communicated to SFC by September 2023	<b>August 2021:</b> 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.  (continued below)	The GCRB Chair and Executive Director have jointly agreed to the communication with SFC to share this recommendation and request that it remain a consideration following the conclusion of the review of the Glasgow college system.  <b>Fully Implemented</b>



## Follow Up Reviews 2022/23

Recommendation Revised May 2023	Priority	Management Response Revised May 2023	To Be Actioned By	No Later Than	Progress Previously Reported	Progress at November 2023
R1 (continued)					<p><b>September 2022</b>            GCRB board of April 2022 recommended a renewed examination of cross-colleges savings opportunities for discussion and consideration, while system-wide opportunities for savings and efficiencies will be included in the GCRB/SFC scope for an externally-delivered options appraisal which is taking place in September 2022.</p> <p>Given this, it is recommended that this recommendation be tagged to the implementation and delivery of the Glasgow review, and therefore will require a longer timeframe for implementation, initially to the end of 2023 although potentially into 2024 although progress.</p> <p><b><i>Partially Implemented</i></b></p> <p><b>Revised completion date:</b> 31 December 2023</p>	



## Follow Up Reviews 2022/23

Recommendation Revised May 2023	Priority	Management Response Revised May 2023	To Be Actioned By	No Later Than	Progress Previously Reported	Progress at November 2023
<b>Report No. 2020/05 – Risk Management</b>						
<b>R4</b> 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.	<b>3</b>	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 Committee to subsequently consider and recommend risk appetite as per the direction of the Chair.	Executive Director	<b>Original:</b> 30 June 2021  <b>Revised timescale at May 2023:</b> Workshop planned for September 2023, and risk workshop to be completed at following Audit Committee.	<b>September 2021:</b> Strategic development of the new plan for 2022 commences in September 2021, after which new strategic priorities shall be established, then renewed risk register and appetite to reflect change. This will progress through 2021 and into early 2022 for full completion.  <b>September 2022:</b> The development of the Strategic Plan has been delayed as a consequence so too has the evaluation of associated risks.  It is expected that the Strategic Plan will be developed at the end of 2022. The review of the risk appetite is expected to take place in conjunction with this.  <b>Partially Implemented</b>  <b>Revised completion date:</b> 31 December 2022	Risk workshop facilitated by Henderson Loggie was carried out on 30 October 2023.  <b>Fully Implemented</b>



## Follow Up Reviews 2022/23

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress Previously Reported	Progress at November 2023
<b>Report No. 2021/04 – Strategic Planning</b>						
<b>R1</b> 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.	<b>3</b>	It is agreed that a Project Plan be developed, and that this will map collaboration with key stakeholders, setting out clearly input and milestones in the development of the new Regional Strategy.	Executive Director	1 May 2022	<p><b>September 2022</b> Project plan is under development and will be developed in 2022.</p> <p><i>Partially Implemented</i></p> <p><b>Revised completion date:</b> 31 December 2022</p>	Action completed. <b>Fully Implemented</b>
<b>R2</b> 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.	<b>3</b>	Existing timeline has been shared with board and colleges, and will be developed and expanded for further clarity and to ensure collaborative process through stages of development.	Executive Director	1 May 2022	<p><b>September 2022</b> Detailed timeline is under development and has been consulted on. It will be completed in 2022.</p> <p><i>Partially Implemented</i></p> <p><b>Revised completion date:</b> 31 December 2022</p>	Action completed. <b>Fully Implemented</b>



## Follow Up Reviews 2022/23

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress Previously Reported	Progress at November 2023
<p><b>R3</b> An evaluation of the existing Regional Strategy should be undertaken to identify:</p> <ul style="list-style-type: none"> <li>a) the elements of the existing strategy which will not be reflected in the new Regional Strategy;</li> <li>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.</li> </ul>	<p><b>3</b></p>	<p>Evaluative activity relating to existing strategy will be undertaken through the process of development and closure, and will bring in elements of activity relating to Outcome Agreement and regional review where they provide further clarity and context.</p>	<p>Executive Director</p>	<p>1 July 2022</p>	<p><b>September 2022</b> Elements a) and b) are both included in the schedule of work for the developing strategy document which is underway.</p> <p>Both elements are currently projected to be completed in 2022.</p> <p><b><i>Partially Implemented</i></b></p> <p><b>Revised completion date:</b> 31 December 2022</p>	<p>The Glasgow Region Strategic Plan 2023 incorporates considerations made as a result of evaluating the previous Regional Strategy. Strategic activity has been linked to regional and national objectives and will inform the development of the Outcome Agreement for Glasgow, funding decisions, and overarching direction in the short term.</p> <p><b><i>Fully Implemented</i></b></p>



## Follow Up Reviews 2022/23

Recommendation Revised May 2023	Priority	Management Response Revised 2023	To Be Actioned By	No Later Than	Progress at November 2023
<b>Report No. 2021/04 – Strategic Planning (R4), 2021/05 – Stakeholder Mapping / Engagement (R1) and 2022/07 – Influencing ROA Development (R1) – recommendations combined in May 2023 revision.</b>					
<p><b>R1</b> 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>	<b>3</b>	<p>Revised recommendation accepted. 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>	Executive Director	<p><b>Original:</b> 1 June 2022, 31 December 2022 and 30 September 2023 respectively</p> <p><b>Revised timescale at May 2023:</b> 31 December 2023</p>	<p>Stakeholder mapping and communication element completed and under implementation. Working group has been formed, including GCRB Executive Director, GCRB Finance and Resources Director, GCRB non-executive directors and representative assigned college chair. Working group considering specifics of recommendation, future Glasgow articulation of outcomes and impact, and also engaging with SFC on current development of future OA, ensuring effective Glasgow contribution to process. At the same time, GCRB and Glasgow colleges’ learning and teaching leads will meet with QAA in early 2024 to further develop specific elements.</p> <p><b>Partially Implemented</b></p> <p><b>Revised Completion Date:</b> 5 April 2024</p>



## Appendix II - Updated Action Plan

### Internal Audit Report 2022/02 – GCRB Organisation Specific Governance

Recommendations Revised May 2023	Priority	Management Response Revised May 2023	To Be Actioned By	No Later Than	Progress at November 2023
<p><b>R1</b> 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.</p>	<b>2</b>	<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>GCRB Board Chair &amp; Executive Director</p>	<p><b>Original:</b> 31 December 2022 <b>Revised timescale at May 2023:</b> 30 September 2023</p>	<p>The GCRB Chair and Executive Director have jointly agreed to the communication with SFC to share this recommendation and request that it remain a consideration following the conclusion of the review of the Glasgow college system.</p> <p><b><i>Fully Implemented</i></b></p>



## Follow Up Reviews 2022/23

Recommendations Revised May 2023	Priority	Management Response Revised May 2023	To Be Actioned By	No Later Than	Progress at November 2023
<p><b>R2</b> 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.</p>	<p><b>2</b></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>GCRB Finance &amp; Resources Director</p>	<p><b>Original:</b> 31 December 2022</p> <p><b>Revised timescale at May 2023:</b> 30 September 2023</p>	<p>Discussions have taken place with SFC colleagues in November 2023. The latest position is that the Scottish Government / SFC are considering a revised Financial Memorandum. Implementation of this action is wholly dependent on the actions of others. The GCRB Chair and Executive Director have jointly agreed to the communication with SFC to share this recommendation and request that it remain a consideration following the conclusion of the review of the Glasgow college system.</p> <p><b><i>Partially Implemented</i></b></p> <p><b>Revised Completion Date:</b> 31 July 2024</p>



## Appendix III - Updated Action Plan

### Internal Audit Report 2022/06 – Disaster Recovery

Recommendation Revised May 2023	Priority	Management Response Revised May 2023	To Be Actioned By	No Later Than	Progress at November 2023
<p><b>R1</b> 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.</p> <p>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.</p>	<b>2</b>	<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>Executive Director / AAC Chair</p>	<p><b>Original:</b> 30 June 2023</p> <p><b>Revised timescale at May 2023:</b> 30 September 2023</p>	<p>This will become an annual process from 2024, with GCRB sharing a form for annual submission. For clarity of process this will be included with another annual assurance event in the completion of the Certificate of Assurance. This will be shared with the GCRB Audit and Assurance Committee to provide clear sight, with any lessons learned shared with GCRB and assigned colleges to ensure shared benefit of all learning. Relevant outcomes for wider sectoral learning will be reported to SFC as appropriate.</p> <p><b>Partially Implemented</b></p> <p><b>Revised Completion Date:</b> 31 March 2024</p>



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