

Audit and Assurance Committee Meeting

Date of Meeting	Tuesday 28 May 2024
Paper Title	Internal Audit Recommendations
Agenda Item	6
Paper Number	AAC4-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.

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.

Progress of internal audit recommendations

Internal audit report	Revised Recommendation	Updated Management Response
<p>Shared Services</p> <p>Report 2020/03 issued in November 2020</p> <p>Stakeholder Mapping / Engagement</p> <p>Report 2021/05 issued in January 2022</p> <p>Influencing ROA Development</p> <p>Report 2022/07 issued in January 2023</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>The recommendation has been shared with SFC to inform on-going development work on the replacement of the Outcome Agreement approach.</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.</p> <p>It is now intended that GCRB will provide closure of the 23/24 process as guided by SFC, as well as providing relevant updates on the 24/25 process.</p> <p>GCRB Chair and Executive Director are in the process of seeking guidance from SFC on whether there is an expectation of GCRB providing any work on the forthcoming assurance and accountability framework.</p> <p>GCRB is unable to conclude this work in the current context in this timeframe.</p> <p>Revised completion date: 5 April 2024</p>

Progress of internal audit recommendations

Internal audit report	Revised Recommendation	Updated Management Response
<p>GCRB Organisation Specific Governance</p> <p>Report 2022/02 issued in May 2022</p>	<p>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.</p>	<p>The revised Financial Memorandum is awaited from the Scottish Funding Council. A draft version has been prepared and is currently subject to review before being issued (by the Scottish Funding Council).</p> <p>In the current circumstances, the process for this review will now be handed over to SFC and GCRB view this recommendation as concluded.</p> <p>Revised completion date: 31 July 2024</p>
<p>Disaster Recovery</p> <p>Report 2022/06 issued in January 2023</p>	<p>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.</p>	<p>The annual return process for Disaster Recovery was created by GCRB and was sent by the Executive Director to college principals. This process is now incorporated into the annual certificates of assurance. At the date of committee two colleges have provided returns. The completion date may require to be revised to meet outstanding submission.</p> <p>The process will be shared with SFC to ensure the process data is retained.</p> <p>Revised completion date: 31 March 2024</p>
<p>Financial Sustainability</p> <p>Report 2023/02 issued in October 2023</p>	<p>R1 – As part of the 2024/25 budget setting process a collaborative session should be convened, involving board members from GCRB and senior managers from GCRB and each of the regional Colleges, to assess the scale and nature of the financial risks facing the Glasgow region, and to identify pan-regional solutions which could help in delivering the cash releasing savings required to achieve a financially sustainable model for the Glasgow region while meeting the needs of learners.</p>	<p>GCRB Chair and Executive Director will seek guidance on SFC's direction regarding their preferences for this work. GCRB will deliver SFC's preferred option if required. GCRB view this as an SFC-led recommendation in the current context and recommend closure in its current context.</p> <p>Completion date: 30 April 2024 (subject to revision as per comment above)</p>