
Audit and Assurance Committee

Date of Meeting	Tuesday 28 May 2024
Paper Title	Annual Report on Compliance with Code of Good Governance
Agenda Item	11
Paper Number	AAC4-E
Responsible Officer	Board Secretary
Recommended Status	Disclosable
Action	For Decision

1. Executive Summary

- 1.1.** The following report provides the Audit and Assurance Committee with a basis on which to consider and advise the Board on GCRB's compliance with the Code of Good Governance (the Code) during the past year.

2. Recommendations

- 2.1.** The Committee is invited to consider the report and **agree** any advice or recommendation to the Board in the context of reporting on compliance with the Code within the Corporate Governance Statement in the Annual Report. A draft statement is included (item 5.0 below) for the Committee's agreement and recommendation to Board.

3. Background

3.1. The Code requires that:

Each board must state its adoption of the Code in the corporate governance statement contained in its annual financial statement. The chair, on behalf of the board, is expected to report as to how the principles have been applied by the board. Where, for whatever reason, a board's practice is not consistent with any particular principle of the Code, it should make this known to SFC or, if it is an assigned college, the regional strategic body. This should be done immediately they become aware of an inconsistency and, without exception, in advance of publishing the information. An explanation for that inconsistency must be clearly stated in its corporate governance statement. Boards will be expected to offer a clear rationale for exceptions in the context of their college's operational model and to identify mitigations.

3.2. A revised Code of Good Governance was issued in September 2022 which was in place without revision during 2023-24.

3.3. The Board's annual self-evaluation questionnaire, completed annually in January/ February, is based on the Code of Good Governance. In 2023-24 GCRB returned to using a more detailed questionnaire consisting of twenty-eight questions which directly reflect principles in the Code. The questionnaire results (as shared with the Board in April), together with a column mapping questions to relevant Code principles (blue text), are appended. An outline of a small number of principles from the Code that were not included in the questionnaire is provided under 4. below.

3.4. The questionnaire provided for qualitative feedback in the form of comments alongside each question. Uncertainties arising from the ongoing regional review process and, in that context, concerns about the relationship between GCRB and its assigned colleges, are evident in Board Members' responses and scores. Scoring overall, however, shows that in the opinion of respondents compliance with the Code and effectiveness remained strong over the past year.

4. Items from Code of Good Governance not Included in Questionnaire

4.1. A number of principles in the Code refer to colleges and not regional strategic bodies, therefore, those principles were not included. Other principles in the Code that were not included in the questionnaire referred to:

- a) composition, duties, and executive reporting to committees, which are covered elsewhere in the Board's evaluation arrangements (committee self-evaluations; the AAC's annual review against the Audit Committee Handbook Checklist);
- b) the Board maintaining a Register of Interests, which Board members are asked to review annually and which is published on the website;
- c) the Board's adherence to the Ministerial guidance on appointments, which is considered formally by NRC as part of each recruitment process.

5. Statement of Compliance

- 5.1. On the basis of the report above and appended questionnaire results, no matters have been identified to bring to the Committee's attention with respect to non-compliance with the Code.
- 5.2. The following draft Statement of Compliance for inclusion in the Corporate Governance Statement is based on the template provided previously in the Accounts Direction. Accounts Direction for 2023-24 reporting will be issued in July and any change to the template wording will be reflected in the final version. The words in italics are additional, to reflect that some principles apply only to college boards.

GCRB complies with all the principles of the 2022 Code of Good Governance for Scotland's Colleges, *except where these apply only to college boards*, and has complied throughout the year ended July 2024.

6. Risk and Compliance Analysis

- 6.1. This report supports mitigation of the risk of "A breach of legislation or regulatory requirements results in a failure of governance" (Risk 008).
- 6.2. There are no legal implications arising from this paper.

7. Finance and Resource Implications

- 7.1. There are no resource implications arising from this paper.

8. Equalities Implications

- 8.1. No equalities implications have been identified except where reference is made in the report to strengthening leadership in equality and diversity through training.

9. Learner Implications

- 9.1. Robust and compliant governance arrangements are essential to the effective delivery of GCRB's strategic objectives and the confidence of stakeholders in the organisation.

Annex: Composite Results of Board Evaluation Questionnaire 2024/Code References

Question	Code Principles	Very Good	Good	Satisfactory	Poor	Very Poor	Comments
1. Board decisions and behaviour reflect the Code of Conduct and Nine Principles of Public Life.	A.1 – A.3	5	5				The Board continues to be hampered by the lack of decisions and direction from the SFC and Scottish Ministers regarding the future of GCRB which leads to frustration and irritation which does effect behaviour.
2. We determine the vision, strategic direction, educational character, values and ethos of the Glasgow college system.	A.4 – A.8	2	5	3			I feel there is still some tension between the values and ethos of the colleges, and the regional board. There is work to be done to determine the values, educational character, strategic direction, vision and ethos of the colleges. If the GCRB are given more authority and power, they could make the Glasgow FE system far better for Glasgow and beyond.
							The Board continues to drive all of these parameters even though it may be a pointless exercise, should future decisions by the Scottish Government negate these efforts
							We have a clear strategic direction but there needs to be stronger connections between this and the plans of the assigned colleges.
3. Our performance measurement system is clearly linked to the regional strategic framework and we monitor KPIs.	A.9	2	4	4			It is difficult to rate this as there was a mismatch in timing of the ROA with the academic year, however the strategic framework is clear.
							While this is effective I think there is more opportunity to cascade KPIs to colleges to have transparency over performance at that level.
							GCRB's strategic priorities and measures are robust, but the assigned colleges need to tie in their PIs much more tightly with ours.
4. Relevant stakeholders are engaged in developing the outcome agreement.	A.7 - A.8	3	6	1			The ROA for GCRB provides high level strategic direction for the region and seeks to set the top level scene for assigned colleges. Would welcome opportunity to consider how

							we could engage with key stakeholders more systematically at a Greater Glasgow level across all sectors.
5.We provide leadership on ethics, equalities, diversity and staff welfare.	A.10, A12	9		1			We have also ensured that all of these attributes are extended to the student body
6.We have regard to the social and economic needs of our area.	A.11	7	3				Discussion at Board meetings is clear on this, with Board members drawing on their particular experiences and areas of expertise.
7.Our membership reflects the community we serve.	A.13	2	7	1			I feel we could have more board members who don't necessarily have the professional skills many of the non-executive board members possess, but are invested in the FE system in their community and are committed to ensuring its continual survival and growth.
8.The voice of the students and the quality of their experience is central to all our decisions. We have open ongoing engagement with students, working in partnership and encouraging strong independent student associations.	B.1 - B.3	7	3				I think the Strategy Board is too large- it needs to be tighter with links to employer organisations and the city region economic team. It shouldn't be composed in the same way as College Management Boards which have a different function, including being themselves employers
							The students are supported and encouraged to engage in all aspects of Board business and do so regularly. It would be good to hear some "real" stories from students via the student representatives. Stories that show where the sector is working, and where it is not.
9.We are aware of and foster good relationships with partner organisations that help us provide coherent learning and support employability.	B.8	2	6	2			We've had some really good speakers recently who have added to the members' understanding of the sector and how it can support students.
							It would be helpful to know more about the scope of which we consider to be partner organisations.

10.Mechanisms are in place to ensure effective oversight at regional level of the quality and inclusivity of learning.	B.9	2	4	3		<p>Very much depends on good flow of relevant information and analysis from assigned colleges. This can be patchy which can at times inhibit comprehensive oversight.</p> <p>Im not sure I can tick a box for this....we review texts and have student reps but I don't think we have oversight of the quality and inclusiveness of learning</p>
11.We fulfil our primary accountability to our funding body by delivering our outcome agreement and fulfilling our statutory duty and terms of our grant.	C.1 - C.3	6	3	1		
12.We fulfil our accountability to students, public, employers and our community for provision of education that enhances social and economic wellbeing.	C.5	2	8			Patterns of accountability could be strengthened by reshaping the board and streamlining it as suggested above
13.Our meeting arrangements and supporting documentation facilitate transparent, informed, rigorous and timely decision-making.	C.7	8	2			<p>The administration of the board and committee duties, as well as reports and minutes are timely and accurate</p> <p>But we do at times rely on assigned colleges providing full and relevant reports which are on occasion not as full as we might expect.</p> <p>The conduct of meetings could be improved by separating out matters for decision from matters for noting and only allowing discussion on the latter when appropriate.</p>
14.Our scheme of delegation is clear and fit for purpose and provides for appropriate two-way communication.	C.8, C.10	9	1			
15.We set the risk appetite, balancing risk and opportunity, and communicate this to management staff.	C.11	6	3	1		The Board has engaged in a risk review and workshop and will continue this activity in the next academic year
16.We ensure sound risk management and internal control systems are in operation.	C.12	6	2	2		This is a matter from the CEO and the Chair, rather than something which needs to be discussed by the full board or its committees

							unless there is something that members attention needs to be drawn to.
17.The Audit and Assurance Committee reviews the comprehensiveness, reliability and integrity of all our assurances on the governance, risk and control frameworks, engaging with internal and external auditors and monitoring any actions recommended.	C.13 - C.15	6	3				We are well served with enthusiastic and committed AAR members and well supported with the executives and both internal and external auditors
18.We ensure our body's sustainability, including compliance with the Financial Memorandum and the Scottish Public Finance Manual, ensuring adequate reporting and monitoring and economic, efficient and effective use of our funds.	C.22 - C.23	3	7				Ongoing sustainability is a major risk factor to the Glasgow College Region, and more cooperation will be necessary in terms of shared services and consolidation of curricula will be required This is extremely challenging in the present environment. I think there is more that could be done but only with a level of buy-in from the colleges that doesn't currently exist.
19.As an employer we promote positive employee relations, we comply with the Staff Governance Standard and we ensure fair and effective staff management.	C.25 - C.27	6	4				The appointment of union sponsored Non Executives to the Board will enhance positive employee relations
20.The Board Chair provides leadership and ensures board effectiveness, working with the Executive Director and Board Secretary.	D.1 - D.2	8	2				
21.Our Board and Committees have the right balance of skills, experience, independence and knowledge of the college region to fulfil their role effectively.	D.3	3	5	1			Broadly speaking this is true, but it is recognised by the chair that we need to bolster certain skill sets and we have sought to recruit new members accordingly. The appointment of new Non Executives will help refresh the Board's overall skills profile Comments on board size and make up above
22.We abide by collective responsibility, taking decisions in	D.4	7	3				

the interests of the body, managing conflicts of interest appropriately and disclose our register of interests.							
23. Staff and student members are treated as full board members.	D.5	9	1				It would be good if staff members could present information in the same way student representatives do. Perhaps the addition of trade union representatives on the Board will address this. The colleges are the staffs' place of work so it's important everyone sees the implications for students if the "workplace" is not a productive one.
24. We have an open and transparent process for recruiting and setting the performance measures for our Executive Director. We provide constructive challenge and support to the Executive Director and hold them to account.	D.8, D.13	6	4				
25. The Board Secretary is appointed by the Board with the appropriate skills and experience and is available to advise all board members and committees.	D.15 - D.16	8	2				
26. All members undertake training tailored to their needs (including committee training where appropriate); new members receive induction tailored to their needs.	D.20 - D.22	4	5	1			Always room for doing more training and development. Refresher learner is always a plus.
27. We review the Board's effectiveness annually using a robust self-evaluation process, and undertake an externally facilitated review at least every five years.	D.24	7	3				
28. We work in partnership at a local, regional and national level to secure:	E.1 - E.4	3	6	1			The working relationship between GCRB and the assigned colleges is key to the delivery of strategic priorities and warrants specific focus.

coherent education provision in our locality; commonly agreed outcomes; develop agreed priorities; and address local needs as well as national priorities and specialisms.							The Board Effectiveness questionnaire structure doesn't reflect this other than in the opportunity to leave comments. I suggest that in a future iteration feedback on this important relationship is made more explicit. Collaboration is dependent on partners
---	--	--	--	--	--	--	---