

Audit Committee Meeting

Date of Meeting	Tuesday 3 October 2017
Paper Title	Annual Review of the Systems of Internal Control
Agenda Item	17
Paper Number	AC1-M
Responsible Officer	Jim Godfrey, Interim Finance and Resources Director
Status	Disclosable
Action	For Noting

1. Report Purpose

1.1. This paper provides the annual review of the Systems of Internal Control.

2. Recommendations

2.1. The Committee is invited to comment on, and subject to amendment, recommend to the Board, the annual review of the Systems of Internal Control.

3. Background

3.1. Internal control is the policies and procedures management used to achieve the following:

- Safeguard assets – preventing loss or damage.
- Production of reliable financial information - to plan, monitor and report.
- Compliance - with legislation, guidance and best practice.
- Efficient and effective operations.
- Achieve the strategic ambitions – through the monitoring of operational goals and objectives.

3.2. However, the existence of policies and procedures does not guarantee that effective controls are in place to manage the risks. Effective monitoring and review are key components of an effective system of risk management and internal control.

3.3. The Board, and its Committees, receive reports during the year and these reports specify the risks relating to the report. In reviewing these reports, the Board should consider how the risks have been assessed, how they have been managed or mitigated, and the implications for the overall strategy. In addition, to its on-going review of risk the Board is also required to complete an annual review of the effectiveness of its systems of internal control.

4. Annual Review

4.1. The Scottish Public Finance Manual (SPFM) provides guidance on the Statement on Internal Control (SIC) to be provided by Accountable Officers alongside the annual accounts of all bodies subject to which the SPFM applies. Glasgow Colleges' Regional Board (GCRB) is subject to the SPFM. The Key Points specified in the guidance are stated as follows:

- “The SIC should be the end result of a risk management process that is embedded in the planning, operational, monitoring and review activities of the body, these activities being the critical elements of the statement;
- The completion of a SIC should be informed and supported by an assurance framework consistent with that described in the section of the SPFM on Certificates of Assurance;
- If significant internal control developments have been, or are, necessary to correct weaknesses, an outline of the actions taken, or proposed, should be included in the SIC.”

4.2. The Scottish Government published an Internal Control Checklist in March 2017. The checklist provides a list of all of the items that should be considered in order to undertake the annual review and enable the Board to prepare its Statement of Internal Control. The checklist has been completed for GCRB and attached as an annex to this report.

4.3. As a result of completing this review, some issues have been identified to progress within GCRB's operational plans for 2017/18. An example, would be in the area of Equality Impact Assessments.

5. Risk Analysis

5.1. The systems of internal control and designed to reduce the risks faced by GCRB. This comprehensive annual review of the internal controls identifies areas of strength that give assurance to GCRB. This level of assurance enables the Board to be satisfied that it is able to complete the annual statement on the systems of internal control. This review also identifies some areas for development and these will be taken forward within the GCRB operational plan.

6. Legal Implications

6.1. There are no specific legal implications arising from this paper.

7. Resource Implications

7.1. There are no specific financial implications arising from this report.

8. Strategic Plan Implications

8.1. Robust systems of internal control are essential in achieving the strategic ambition of having robust governance arrangements.

ISSUE	RESPONSE	DETAILS, INCLUDING REVIEW WORK YOU HAVE CARRIED OUT TO VERIFY RESPONSE (MANDATORY)	GUIDANCE NOTE (WHERE APPLICABLE)
1. Risk Management			
1.1 Do you have in place processes that seek to identify and record key business risks (linked to business objectives and targets) on an on-going basis?	Yes/No	The Board's approach to risk management has been reviewed and updated in 2017. The Risk Register links to the objectives within the Strategic Plan. The Risk Register is reviewed at Executive Meetings and at each Board meeting.	This relates to the use of a structured process to manage business risk in line with the SPFM. This will be one that ensures the right people are involved in the process, and that each stage in the process is being actively recorded and managed. It will also be one that revisits the issues periodically to ensure that the assessments reflect current risks. An example of a structured process would be the maintenance of risk registers at divisional / branch / project level as considered appropriate. (Guidance on the SG Approach to Risk Management is available on the Intranet. Information to help with this can be found in the Delivery Essentials. General guidance is through Risk Management on the SPFM .)
1.2 Is there a systematic approach to identify and prioritise risks and match them with effective resources?	Yes/No	Although further work is required to quantify the resources/timescales necessary to deliver the ambitions set out in the Strategic Plan 2017-2022.	
1.3 Is risk management actively supported and promoted by branch heads and team leaders?	Yes/No	Risk Management is an integral component of the work of GCRB executive. Each of the Assigned Colleges has a proactive approach to risk management and this is reviewed by the Interim Finance & Resources Director	
1.4 Do you receive reports on the management of key risks and control actions taken?	Yes/No	The controls and mitigating actions are included within the revised format of the Risk Register.	
1.5 Has appropriate consideration been given to business continuity and disaster recovery for key	Yes/No	Business continuity and disaster recovery are crucial issues for the region but a lower risk for GCRB (as the entity). Reliance is placed	Local response to the possible loss of corporate functions (e.g. SCOTS, SEAS, EASEbuy, and accommodation) might be considered in the context of divisional risk management

systems (including ICT) upon which your operations depend?	(Partly)	upon the assigned colleges having local systems and processes to ensure business continuity and disaster recovery. Further work is required to gain assurance that the colleges have robust systems in place.	procedures. Where local systems are in operation, including but not exclusively ICT systems, the Division has a responsibility to ensure that consideration has been given to continuity and recovery e.g. back-up discs. Out-stations may have arrangements with local businesses in event of loss of facilities. (ISIS guidance on Business Continuity is available on the Intranet.)
2. Business Planning			
2.1 Does your area have a business plan that contains clear business objectives and outcomes which clearly contribute to the achievement of higher level objectives and outcomes, and have these objectives and outcomes been translated into measurable targets against which performance and progress are measured?	Yes/ No (Partly)	The Board agreed its Strategic Plan for 2017-2022 in May 2017. GCRB is developing its operational plan which will include the specific targets and resources necessary to deliver its ambitions.	Your business objectives / SMART targets should be reflected and documented in the Divisional Plan and performance appraisal forms at all levels. Plans should be linked to the Directorate Planning process.
2.2 Have new and/or radically changed work programmes been referred to Finance, Procurement and/or Internal Audit for advice?	Yes/ No	An example of this would be the proposed MIS software for the region which has been the subject of extensive discussions between the assigned colleges, GCRB and the Procurement team. Another example, is the capital funding proposals considered by GCRB and the decision that 2 of the assigned colleges should proceed with a joint procurement exercise.	New initiatives or spend, or changed systems should normally be discussed with Finance, Procurement and Internal Audit colleagues before proposals are finalised. In terms of undertaking change, the Improvement Framework is one of the main mechanisms underpinning the Scottish Government's approach to Public Service Reform. Further guidance can be provided through the Leading Improvement Team.(Guidance on the Role of Finance is available on the Intranet. General guidance on Procurement and Internal Audit is available in the SPFM.)
2.3 In developing targets, does the area identify performance measures which take account of	Yes/No	This is something that will be reflected in future plans.	This question seeks to find out if the relationship between inputs, outputs and outcomes is being applied in developing

inputs, outputs and outcomes?			performance measures. (Guidance on Performance Management is available on the Intranet)
2.4 Do you regularly receive timely, relevant and reliable reports on progress against targets and take corrective action where necessary?	Yes/No	Regular progress reports are reported on a range of governance matters. Following development of the operational plan (outlined above) it is expected that this plan will be monitored and corrective action taken as appropriate.	This could take the form of regular reports prepared for consideration at progress meetings or updates provided in the context of regular meetings with managers. Corrective action might involve the reallocation of resources (budgets and staff) and the reordering of priorities.
3. Major Investment			
3.1 Has your area been responsible for delivering one or more major investment projects (i.e. >£5m) during the past financial year? (If not, please ignore the other questions in this section)	Yes/No	There haven't been any Major Investment Projects within the Glasgow colleges region since GCRB achieved fully operational status.	Major investment projects are defined in the Major Investment Projects section of the SPFM. All Major Investment Projects must adhere to this guidance. The key principles should be adopted in relation to all investment projects.
3.2 Do / did your project's governance arrangements align with the Scottish Government's strategic and sector specific governance procedures?	Yes/No	Not applicable.	Relevant procedures include the following requirements: Putting arrangements in place to address each of the SG's Programme and Project Management (PPM) Principles . Information to help with this can be found in Delivery Essentials Ensuring that people appointed to positions within the project's governance and management structure have the skills, experience and knowledge necessary to fulfil their role. Registering the project on the SG's Infrastructure Projects Database if it has reached Outline Business Case state and has a capital budget of £5M+ (inclusive of VAT). Complying with the guidance in the Construction

			<p>Procurement Manual - if a construction project.</p> <p>For ICT enabled projects, complying with the ICT Assurance Framework, further guidance is available from Office of the Chief Information Officer. For Health Sector projects, complying with the guidance in the NHS Scotland Scottish Capital Investment Manual.</p> <p>Complying with the guidance for delivering ICT enabled projects.</p>
3.3 Have you assessed your project(s) in line with the SG's assurance procedures and engaged with the appropriate assurance process?	Yes/No	Not applicable.	<p>Relevant procedures include the following requirements:</p> <p>Completing the Risk Potential Assessment Forms to determine the potential complexity of your project(s).</p> <p>Contacting the SG's PPM Centre of Expertise - if the project is assessed as potentially Medium or High risk.</p> <p>Certain major investment projects may require Key Stage Reviews (KSRs) during key procurement stages. This includes those projects over £20m in value, or of critical importance/unusual scale or nature to the procuring organisation, or revenue funded, or procured through competitive dialogue. KSRs are undertaken by the Scottish Futures Trust.</p>
3.4 Have you appraised your project(s) in accordance with the SG's guidance and complied with the SG's procurement guidance?	Yes/No	Not applicable.	<p>Projects must be appraised in accordance with the Appraisal & Evaluation section of the SPFM. You must also be able to demonstrate compliance with the Procurement Section of the SPFM and the Construction Procurement Manual - if a construction and/or an infrastructure project.</p>
3.5 Have you put all necessary arrangements in place to assess the realisation of benefits and capture lessons from the delivery of your project(s)?	Yes/No	Not applicable.	<p>Necessary arrangements include:</p> <p>Capturing lessons learned to share feedback with SG's Scottish Procurement and Commercial Directorate using Lessons Learned Templates</p> <p>Conducting on-going evaluation of your project throughout its life-cycle, including a Post Implementation Review (also known as a Post Occupancy Evaluation for construction and infrastructure projects)/</p>

			<p>Planning and undertaking a Post Project Evaluation for construction and/or infrastructure projects.</p> <p>Planning and undertaking a Post Occupancy Evaluation for projects that deliver a building (e.g. an office, hospital, school).</p>
4. Project Management			
4.1 Has your area been responsible for delivering one or more projects - other than major investment projects – during the past financial year?	Yes /No	<p>There haven't been any non-capital projects within GCRB since GCRB achieved fully operational status (out with those delivered through Regional Outcome Agreement arrangements)</p> <p>The future major change processes will be those led by the GCRB Executive and Regional Leads</p>	Projects covered in this section include non-capital projects such as policy delivery projects, business change projects or investment projects that would not meet the definition of major investment in the SPFM.
4.2 Did / does your project's governance and process align with the SG's strategic and sector specific procedures?	Yes /No	Not applicable.	<p>Arrangements must be put in place to address each of the SG's PPM Principles. Information to help with this can be found in the Delivery Essentials.</p> <p>The general principles set out in the Major Investment Projects section of the SPFM should be applied, as appropriate, to all investment projects.</p> <p>For ICT enabled projects, complying with the ICT Assurance Framework, further guidance is available from Office of the Chief Information Officer.</p>
4.3 Have you assessed your project(s) in line with the SG's assurance procedures and engaged with the appropriate assurance process?	Yes /No	Not applicable.	<p>Relevant procedures include the following options:</p> <p>Completing the Risk Potential Assessment Forms to determine the potential complexity and risk of your project(s).</p> <p>Contacting the SG's PPM Centre of Expertise - if the project is assessed as potentially Medium or High risk.</p>

4.4 Have you appraised your project(s) in accordance with the SG's guidance and complied with the SG's procurement guidance?	Yes/No	Not applicable.	Projects must be appraised in accordance with the Appraisal & Evaluation section of the SPFM. You must also be able to demonstrate compliance with the Procurement Section of the SPFM, should your project include an element of procurement.
4.5 Have you put all necessary arrangements in place to assess the realisation of benefits and capture lessons from the delivery of your project(s)?	Yes/No	Not applicable.	Recommended arrangements include: Capturing lessons to share feedback with SG's PPM Centre of Expertise using- Lessons Learned Templates . Conducting an End of Project Evaluation Review , including the review and handover of benefits identified in the business case to an accountable owner.
5. Financial Management			
5.1 Do you ensure that a documented business case has been prepared for any policy proposal? Do you ensure that your Finance Business Partner (or equivalent) and, as necessary, Internal Audit Division is involved at the earliest possible stage in the preparation of all policy proposals etc. which may have resource, control or other finance related implications and that they are kept informed of developments?	Yes/No	The Board agreed the GCRB organisational structure in May 2017. This included the post of Director of Finance & Resources. Interim arrangements for financial support have been in place from the time that GCRB achieved fully operational status and will continue until 31 October 2017. The organisational structure ensures that financial resource is available to GCRB.	Finance should also be consulted on any novel or contentious spending proposal and any matter which includes issues of financial propriety and regularity. Further guidance on the Role Of Finance is available on the Intranet. The need to consult Finance might also be included in induction material and local desk instructions.
5.2 Do you have procedural instructions, cleared with Finance, about how financial matters are handled within the area and are processes in place for regular monitoring of compliance with these instructions?	Yes/No	Yes, GCRB approved its financial procedures in March 2017. These procedures were updated in August 2017 and considered by the Performance and Resources Committee on 9 October 2017.	Local desk instructions should be drawn, as appropriate, from the key principles of the SPFM. Instructions should be in place covering the arrangements for entering into commitments and for approving and processing the resultant payments, including VAT – and ensuring adequate separation of duties. This may also cover other matters such as delegated authorities, budget monitoring procedures and the requirement to consult Finance on all proposals that may

			<p>have resource or other finance related implications.</p> <p>Monitoring of compliance should be supported by regular management checks and the consideration of financial matters at regular meetings with your managers.</p>
5.3 Do you delegate financial authority to staff at appropriate levels?	Yes/ No	<p>The Board has a scheme of delegation with approval limits set for the Board, Chair and Executive Director.</p>	<p>Delegated financial authority (i.e. where members of your staff have full responsibility for budgets and take decisions without having to refer upwards) will not be appropriate in many Divisions but where it is you should provide details of the broad arrangements e.g. set out in desk instructions, financial responsibility statements. This is separate from Delegated Purchasing Authority (DPA). The authority required to make and authorise payments etc. within SEAS and the authority to purchase in EASEbuy are also separate authorities.</p> <p>(General guidance on Delegated Authority is available in the SPFM. Guidance on the SG Scheme of Delegation is available on the Intranet.)</p>
5.4 Is there adequate separation of duties where required and are staff with these duties adequately trained to discharge their responsibilities in that regard	Yes/ No	<p>Duties are segregated as far as is reasonably practicable given the size of GCRB.</p> <p>GCRB's banking administration is performed by SFC staff and is subject to SFC protocols underpinned by a Service Level Agreement with GCRB.</p> <p>GCRB is supported by City of Glasgow College in respect of financial payments and receipts. This provides an additional level of control, and segregation of duties, to complement the internal procedures of GCRB.</p> <p>Where appropriate, GCRB will engage external consultants to provide specialist advice, an example would be in respect of</p>	<p>This should apply to activities such as authorising and processing payments and receipts or awarding grants. There may be concerns (e.g. within small units) where the rules on separation of duties cannot practically be achieved. In such circumstances the response should relate to whether the local arrangements (e.g. compensating controls) agreed with Finance are working satisfactorily.</p> <p>(The requirement for appropriate separation of duties is included in a number of sections of the SPFM, notably those covering Expenditure and Payments and Income Receivable & Receipts.) This covers all staff involved in the financial process. The level of knowledge and training should be related to the part played by the individual in the financial process. Individual duties should be covered in desk instructions. All staff with responsibility for entering into contracts, raising purchase orders or issuing invoices etc. should have a knowledge of the rules relating to VAT and</p>

		VAT.	the ability to recover and or charge VAT. Note that this is separate from the authority required to make and authorise payments within SEAS or to purchase within EASEbuy.
5.5 Do you have arrangements to ensure that all assets for which the area is responsible are properly managed and safeguarded? Do you ensure that Finance (and Property where applicable) are informed of any changes to assets?	Yes/ No	GCRB does not own any assets and this is therefore not a risk. The assigned colleges are responsible for the management arrangements in respect of the assets they own. GCRB is relies upon the internal controls and procedures of the assigned colleges in respect of the assets they own.	Only assets for which the area is responsible need to be considered here. This will include those assets on a locally maintained inventory of valuable and attractive items. The response should consider safeguards such as those against unauthorised use or disposal. (Guidance on Property Management and Fraud is available in the SPFM.) Capitalised expenditure (PPE and Intangibles) must meet the approved corporate thresholds and definitions, and be supported by Asset Addition forms. Any disposal of previously capitalised assets should be recorded correctly in SEAS and supported by Asset Disposal forms. Further guidance is available from your Finance Business Partner and via Saltire.
5.6 Do you have effective arrangements in place to ensure that you are managing and monitoring any money due to the Scottish Government and that it is collected within reasonable timescales?	Yes/ No	Not applicable as GCRB would not be expected to generate income.	Further detail on Debt recovery can be found in the Income receivable and receipts section of the SPFM
5.7 Do you have procedures for ensuring that proper and accurate accounting records are maintained and entries in them are properly authorised?	Yes/ No	The accounting records are maintained using the finance system of City of Glasgow College. Accounting transactions are recorded on the system upon instruction from GCRB. The Interim Finance & Resources Director reviews the accounting records each month and produces a budget report for consideration by the Performance & Resources Committee.	The response to this question needs to reflect both the provision of information needed for accounting purposes (e.g. the proper and timely entry of data into SEAS and/or EASEbuy) and for cash management purposes. The response should also take into account the controls in place within your area to ensure that only authorised personnel have access to the SEAS system. (Guidance on SEAS and EASEbuy is available on the

			Intranet.)
5.8 Do you have procedures in place for effective monitoring and reviewing of financial information and budgets for which you are responsible?	Yes/ No	<p>The financial information and budgets of GCRB are monitored on a monthly basis and a report prepared for each meeting of the Performance & Resources Committee.</p> <p>The Interim Finance and Resources Director reviews the Management Accounts of the assigned colleges with the first report under this process to be reported to the Performance & Resources Committee on 9 October 2017.</p>	<p>The response should reflect the following:</p> <p>Measures to ensure that financial systems contain accurate and up to date information;</p> <p>Measures to monitor the security of financial information; and</p> <p>Local arrangements for monitoring and reviewing administration costs and programme budgets</p> <p>Measures should include regular management checks. Arrangements for reviewing budgets should be consistent with re-profiling information returned to Finance. (Guidance on Budget and Financial Management is available on the Intranet.)</p>
5.9 Are agreed budget plans documented and disseminated within your area?	Yes/ No	The GCRB Budget is relatively small, both in the size of the non-staff costs and also the number of transactions. The Executive Director and Interim Finance & Resources Director discuss the budget as necessary.	The review of the regular financial reports needs to take account of both the review internally within the area as well as external reporting of outcomes and any remedial action required.
5.10 Do you regularly review internal financial reports which report actual against budget outturn and discuss progress with your Director or equivalent?	Yes/ No	The GCRB Budget is reviewed on a regular basis and a revised forecast out-turn provided to the Performance & Resources Committee.	You will wish to consider here the mechanisms in place for communicating budgetary information both at the beginning of the year and changes made in-year whether at the time of formal monthly or quarterly reviews or at other times. This would also cover the transfer of funds between one area and another or between the centre and your area.
5.11 Do you ensure that that the State Aid Unit is consulted on all	Yes/ No	GCRB would consult with the State Aid Unit if it became aware of circumstances that	Guidance on the EC State Aid Rules is included in the SPFM. More detailed guidance is available from the State Aid Unit.

proposals that may have state aid implications?		required it do so.	
5.12 Do you ensure that any grant proposals and payments follow the relevant guidance in the SPFM?	Yes/No	GCRB follows the SPFM in respect of the receipt of Grant in Aid from SFC and also in the way that it disburses grant to the assigned colleges.	The section of the SPFM on Grant & Grant in Aid includes references to checklists covering the grant proposal, application and assessment processes and a Model Offer and Conditions of Grant document. There is a separate Offer of Grant document for use in relation to grant funding provided to voluntary bodies to assist with their operational costs.
6. Fraud			
6.1 Are operational managers and other members of staff within your area aware of their responsibilities as set out in the Scottish Government Fraud Policy Statement ?	Yes/No	The Fraud Policy is being considered by the Audit Committee at its meeting on 3 October 2017. The Policy sets out the responsibilities of staff and board members.	Relevant guidance in the section on Fraud in the SPFM might be brought to the attention of staff periodically and / or in induction material.
6.2 Are any cases of suspected fraud within your area dealt with in accordance with the Scottish Government Fraud Response Plan ?	Yes/No	There have not been any instances of fraud but if there was ever a suspected fraud then GCRB would follow the Scottish Government Fraud Response Plan.	Unless separate prescribed procedures are in place any suspicion of fraud (internal or external) should be reported to the SG Governance and Risk Team via email or the Crimestoppers Hotline 08000 15 16 28.
7. Procurement			
7.1 Do you ensure that the Scottish Procurement and Commercial Directorate (SPCD) are consulted from the earliest possible stage on any proposals that may involve procurement activity?	Yes/No	The question is not directly applicable to GCRB due to the arrangements within the FE Sector and Glasgow Region. GCRB would consult with the Glasgow Colleges Procurement Team at the earliest opportunity on any procurement matter. Additionally, GCRB would access the specialist advice available from Advanced Procurement for Universities and Colleges (APUC) and the procurement centre of expertise for the sector.	Guidance on the role of the Scottish Procurement and Commercial Directorate (SPCD), guidance on Buying Goods, Services or Works and the Security Questionnaire is available on the Intranet. The need to consult SPCD might be included in induction material and local desk instructions. SPCD must be consulted on any novel or contentious spending proposal and any matter which includes issues of procurement propriety or regularity.

7.2 Do you have staff with Delegated Purchasing Authority (DPA) at appropriate levels?	Yes/No	The question is not directly applicable. However, the GCRB scheme of delegation sets out levels of authority to enter into contracts on behalf of GCRB.	DPA is the authority from the director of Procurement and should on a personal basis to permit permanent SG members of staff to enter into a contract for goods, services and works and oversee the process leading up to and including the award of a contract and any subsequent contract changes on behalf of the Scottish Ministers. This is separate from financial authority and the authority to make purchases on EASEbuy. Please confirm how many staff in your area have DPA. (Guidance on DPA is available on the Intranet).
7.3 Is all procurement activity within your area undertaken in accordance with the Procurement Policy Manual ?	Yes/No (Partly)	GCRB aims to meet the requirements of the Procurement Policy Manual in full. There are aspects of the manual, such as publicly available Contract Register, that need to be implemented to ensure full compliance.	Evidence should be provided by staff with DPA to assure Division Heads that all procurement activity has been conducted with the Procurement Policy Manual . Specific guidance on the operation of the electronic Purchasing Card and the EASEbuy System.
7.4 Does your area's use of external consultants comply with the Scottish Government Consultancy Procedures ?	Yes/No (Partly)	On occasions, GCRB uses external consultants for specialist services. A requirement of GCRB achieving fully operational status was the appointment of an Interim Finance & Resources Director. Due to the specialist nature of the role, and the time constraints, GCRB received derogation from SFC to set aside the requirements for a competitive action in this case. This allowed GCRB to meet its needs pending the Board's approval of a permanent organisational structure.	Contracts for consultancy of up to £10K in value need to be approved at Deputy Director level. Consultancy contracts between £10K and £50K need to be approved at Director General level. Consultancy contracts above £50K must be authorised by the Cabinet Secretary for Infrastructure, Investment and Cities, and the Cabinet Secretary for Finance, Employment and Sustainable Growth. If there have been no such cases during the period then please provide a nil response. Consultancy expenditure must be coded against the account codes stated in the Consultancy Procedures . Management checks on consultancy expenditure on SEAS should be carried out to ensure approval was sought at the appropriate approval level prior to purchase.
7.5 Is the number of staff authorised and trained to act as EASEbuy approvers consistent with	Yes/No	Not applicable.	Staff who are authorised as EASEbuy approvers need to recognise the importance on the financial information being entered correctly. The amount of knowledge and training

your Division's needs?			does, of course, need to be related to the part played by the individual in the financial process. Details of available training are provided on the EASEbuy training page.
7.6 Do you ensure that staff with electronic Purchasing Cards (ePCs) are fully trained to discharge their responsibilities and that there are processes to monitor compliance?	Yes/No	Not applicable. GCRB does not use electronic Purchasing Cards.	Monitoring of compliance might be achieved by regular management checks and the consideration of financial matters at regular meetings with your managers. (Guidance on ePC is available on the Intranet.)
7.7 Do you ensure that staff are complying with the prompt payment of suppliers process to meet the 10 day payment commitment?	Yes/No	Payments are processed by City of Glasgow College on behalf of GCRB. We do not yet have the performance indicator for 2016-17, however anecdotal evidence suggests that this is not being met.	Relevant guidance regarding the prompt payment of suppliers policy must be brought to the attention of staff periodically and/or in reviewing training requirements.
8. Human Resources			
8.1 Have you considered workforce planning and development across your teams?	Yes/No	The workforce plan, and new organisational structure, has been considered in detail by the Nominations and Remuneration Committee and the Board. The structure agreed in February 2017 provides the capacity to meet the organisational needs. The development needs of the team will be considered following the conclusion of the recruitment exercise.	SG People Strategy sets the context for people development. Confidence levels will be shaped by activity such as: working with your HR business partner to determine capacity, capability, succession planning requirements; supporting learning and development planning and activity, for example through engaging with local sessions and ensuring staff are released to attend learning events.
8.2 Do you have adequate processes for monitoring and managing the number and cost of all of your staff (whether paid from Administration or Programme budgets and whether permanent or temporary)?	Yes/No	The number of staff engaged by GCRB is very small and therefore management of the number and cost is straightforward.	The DG groups take regular reports on workforce numbers and costs. At a business level you will want to be assured that you have effective processes in place to track and review spend and workforce numbers, particularly for those not paid via payroll or from programme budgets. HR management information reports are provided to Directors and the accuracy of these should be checked regularly.

8.3 Do you adhere to corporate processes regarding recruitment, absence management, flexible working hours, travel and subsistence and overtime?	Yes/No	The HR team of Glasgow Clyde College provide support and advice to GCRB. In general, the terms and conditions of GCRB staff follow those applicable to Glasgow Clyde College. However, the terms and conditions for the Executive Director are consistent with those of Glasgow Kelvin College (from where the Executive Director is seconded).	Advice is available on Saltire via 'My Workplace' on recruitment, attendance management, flexible working hours, travel and subsistence and overtime or via the HR Helpdesk (ext. 48500 (option 2)).
8.4 Do you take action to improve employee engagement?	Yes/No	All employees are actively involved in the running of GCRB and participate in the bi-weekly team meetings.	What evidence do you draw on to inform action, for example the People Survey , team meetings etc.
9. Equality & Diversity			
9.1 Are all new or revised policies/activities in your area assessed for their impact on equality groups and Equality Impact Assessment (EQIA) results published on the SG website within a reasonable period (as required by legislation)?	Yes/No	Key delivery plans such as the Regional Outcome Agreement and the Regional Curriculum and Estates Plan were assessed with an EQIA. However, it is recognised that this area required further development so that all policies/activities are assessed this action and has been incorporated into the GCRB operational plans for 2017-18.	<p>This question relates to the SG's responsibilities under the statutory public sector equality duties. You are expected to ensure that new or revised policies and activities in your area are assessed for their impact on equality groups.</p> <p>An EQIA process helps you to look at how your policy impacts on people because of their age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. Guidance on EQIAs is available on Saltire.</p>
9.2 Do you have support structures in place in your division to enable staff to undertake and complete equality impact assessments?	Yes/No	Staff development is planned for 2017-18 to meet this requirement.	You will want to consider what steps you have taken to ensure that your staff are able to and do use the SG's equality impact assessment guidance and toolkit. You will also want to consider what kind of support you are providing for your staff so that they are able to undertake and complete this process successfully. Please provide some detail on about support structures in place.

9.3 Do you have procedures in place to ensure that equality impact assessments have been completed for all relevant policies/activities?	Yes/No	This is an area for development and has been incorporated into the GCRB operational plans for 2017-18.	You will want to consider whether you have a robust process in place to ensure that all new or revised policies are equality impact assessed and results of these assessments published. The EQIA process should be started early in a policy development cycle, with the results of the assessment informing and shaping policy decisions. Appropriate monitoring arrangements should also be put in place. Please provide some detail on about support procedures in place.
9.4 Do you ensure that all staff have a meaningful diversity objective and have completed individual diversity monitoring information on e-HR?	Yes/No	This is an area for development and has been incorporated into the GCRB operational plans for 2017-18.	All staff are required to have a Diversity Objective as part of the annual performance appraisal process. Examples of appropriate objectives are available on Saltire. Diversity monitoring information can be completed by visiting the intranet page, it is essential for progress to be tracked at an organisational level. Have you encouraged staff to complete this information?
10. Information			
10.1 Do you have any Information Assets in your area?	Yes/No	GCRB holds a small volume of information but this does include some student data reports provided by the colleges or the SFC to support regional curriculum planning and monitoring.	IAOs (usually Deputy Directors) are responsible for ensuring that their information assets are recorded on the corporate Information Asset Register (IAR) . Guidance can be found on the IAR pages on Saltire. See guidance on "What is an Information Asset?" in the IAO Handbook.
10.2 Are your information assets registered on an Information Asset Register (IAR)?	Yes/No	Arrangements for the storage of information assets is an area for development and has been incorporated into the GCRB operational plans for 2017-18.	IAOs (usually Deputy Directors) are responsible for ensuring that their information assets are recorded on the corporate Information Asset Register (IAR) . Guidance can be found on the IAR pages on Saltire. See guidance on "What is an Information Asset?" in the IAO Handbook.

<p>10.3 Does your area expressly track information risks across the lifetime of your information assets?</p>	<p>Yes/No</p>	<p>This will form part of the development activity outlined above.</p>	<p>IAOs are required to conduct risk assessments against their information assets for the duration of that assets lifespan. Risk management assessments should be developed in line with the SG Risk Appetite. Risk assessments should extend to procurements and shared services, and include third parties, delivery partners, suppliers and contractors. Additional guidance can be found on Saltire.</p> <p>Further guidance on Information Risk is also available on the Intranet. Compliance with this guidance ensures the SG fulfils its obligations to information assurance standards and legislative requirements. Information assets are recorded on the Information Asset Register. Guidance can be found in the Information Asset Owner (IAO) Handbook and Saltire pages</p>
<p>10.4 Can you confirm that information risk assessments have been carried out for all information assets?</p>	<p>Yes/No</p>	<p>This will form part of the development activity outlined above.</p>	<p>Information risk assessments should be carried out as appropriate for the classification of the information asset; the restriction of access to information as appropriate; the training of staff in handling sensitive information; the management of processing of personal data; the impacts of loss or corruption of information; and so on. Such risk assessments should extend to procurements and shared services initiatives, and to all delivery partners, suppliers and contractors. Management and monitoring of supplier security and information assurance arrangements must take place.</p> <p>Mandatory elearning packages (Data Protection and responsible for Information) can be found on the intranet.</p>
<p>10.5 Are all significant roles in respect of information risk and personal data manned?</p>	<p>Yes/No</p>	<p>This will form part of the development activity outlined above.</p>	<p>TORs for the mandatory roles in respect of managing information risk and personal data including Senior Information Risk Owner (SIRO), Information Asset Owners (IAOs) are in place. Staff are available to discharge these roles and have undergone or are undergoing appropriate training. For core SG the SIRO is DG Communities, non-core</p>

			<p>bodies will have their own SIRO.</p> <p>Guidance on mandatory roles can be found on the intranet.</p> <p>Elearning packages for each role can also be found on the intranet.</p>
10.6 Are access control mechanisms in place for each system?	Yes/No	This will form part of the development activity outlined above.	Access control mechanisms for each system are documented by IAOs. Control Mechanisms are in place for physical access and access to information. Location of information assets are registered on the Information Asset Register.
10.7 Do you have processes in place for dealing with breaches of security / data handling incidents?	Yes/No	This will form part of the development activity outlined above.	<p>IAOs are aware of and follow the corporate process in place to report, manage and recover from information risk incidents. Lessons have been learnt, and shared, from incidents (if any). Local managers have a responsibility to ensure that staff are aware of and comply with the relevant guidance, to initiate checks where non-compliance is suspected and to monitor suppliers. Managers have a responsibility to ensure that all staff and suppliers are aware of their responsibilities to safeguard Government information.</p> <p>An IAO checklist for dealing with security incidents can be found on the intranet.</p>
10.8 Have there been any breaches of security / data handling incidents during the financial year?	Yes/No	There were no security/data breaches during the year ending 31 July 2017.	Please include brief details of how many; when; what were the circumstances; whether personal data was involved; was it reported to Cyber Defence and Integrated Security (CDIS); was it dealt with/resolved satisfactorily? E.g. answer YES if you have had a data breach which was reported and resolved. An IAO checklist for dealing with security incidents can be found on the intranet.

11. Health & Safety			
11.1 Do you have appointed and trained health and safety duty holders to cover your area?	Yes/ No	Within the serviced accommodation occupied by GCRB (and provided by City of Glasgow College) there are appointed health and safety duty holders.	Duty holders (such as Health and Safety Liaison Officers (HSLOs), First Aiders, Fire Precautions Officers (where appropriate) and Fire Marshals) perform key health and safety functions which help managers discharge their own responsibilities.
11.2 Has the Risk Assessment procedure been implemented and reviewed as required within your area to ensure that significant risks are adequately controlled?	Yes/ No (Partly)	The risk assessments will be reviewed, particularly where they relate to organisational practice (e.g. using display screen equipment) rather than premises.	Risk Assessment Teams (appointed by Deputy Directors) to: <ul style="list-style-type: none"> • review and amend generic risk assessments, and generate new assessments as required • communicate findings to all affected staff • keep assessments under review
11.3 Do HSLOs in your area complete quarterly reports?	Yes/ No	Not directly applicable. However, there would be benefits in undertaking a review on a periodic basis. This action will be incorporated within GCRB operational plans for 2017/18.	HSLOs should complete Quarterly Workplace Inspections in February, May, August and November which provides information on their performance against key health and safety tasks from the Health and Safety Management System.
12. Sponsored Bodies			
12.1 Non Departmental Public Bodies - Is your area responsible for sponsoring any NDPBs or other bodies? (If not, please ignore the other questions in this section.)	Yes/ No	The Assigned Colleges are not NDPBs. However, for the purpose of this section of the questionnaire, the responses are based upon the fact the Assigned Colleges are considered to be 'other bodies'.	Please complete for all of the bodies you sponsor answering each question separately and highlight key points of interest (good or bad). Guidance can be found in the NDPB Sponsorship Guidance Notes. A list of public bodies in Scotland is available on the National Public Bodies Directory .
12.2 National Outcomes - Do the operations, business planning and objectives of the public body help to achieve the Scottish Government's Purpose, National	Yes/ No	The Strategic Plan approved by GCRB in May 2017 sets out the future direction for the organisation. The Regional Outcome Agreement details the deliverable outcomes required of the Assigned Colleges. Both	Supporting documents such as the corporate plan, business plan, and framework document should be in place to enable the sponsor team to develop a shared understanding of the joint priorities over the medium term to contribute towards delivery of the National Outcomes, and to ensure that

Outcomes and Programme for Government?		documents reflect the Scottish Government's Purpose and National Outcomes.	individual bodies' corporate communications and engagement strategies fully reflect these. Further guidance on corporate and business plans can be found at Paragraphs 28 and 29 of the Model Framework Document for Executive NDPB's at Annex 3 of the section of the SPFM on Accountability.
12.3 Framework Documents - Is there an up to date Framework Document in place, and published, with your sponsored body, with appropriate arrangements in place to monitor adherence to this?	Yes/No	A Financial Memorandum exists between the Scottish Funding Council and GCRB. A similar document exists between GCRB and each of the Assigned Colleges. A Service Agreement has also been drawn up between Scottish Funding Council and GCRB. This Agreement is due to be considered by the Performance & Resources Committee of GCRB on 9 October.	You should be able to confirm that Framework Documents are finalised or otherwise, that they are up to date, and were subject to proper consultation (including with Public Bodies Unit, your Finance Business Partner (or equivalent) and Internal Audit Division). Details of the steps taken to monitor these areas should also be provided. Governance structures, processes, systems and controls should be in place to ensure robust financial management and monitoring, and compliance with the Scottish Public Finance Manual . Guidance on the role of the sponsoring team is set out in the Model Framework Document for Executive NDPBs and is provided at Annex 3 of the Scottish Public Finance Manual section on Accountability.
12.4 Effective Boards - Are you assured that the Board of your sponsored body is undertaking its functions effectively?	Yes/No	The Board of GCRB undertakes a self-evaluation exercise on an annual basis. The most recent review was considered by the Board in February 2017. An externally facilitated evaluation is due to take place in 2017/18.	The four main functions of public body Boards are: to ensure that the body delivers its functions in accordance with Ministers' policies and priorities; to provide strategic leadership; to ensure financial stewardship; and to hold the Chief Executive and senior management team to account. Boards play a vital role in the accountability chain and therefore it is essential that they have the capability and capacity to perform their functions effectively.
12.5 Effective Boards - Does your sponsored body have a succession plan in place for its Chair and members?	Yes/No	The Chair is appointed by Scottish Ministers via a public appointments process. The former Chair stepped down from the post on 16 July 2017 to take up a new post at Perth College. The former Vice-Chair has been	The purpose of succession planning is to deliver highly effective, diverse Boards. Diversity simply means difference. In relation to Board diversity and succession planning we use it to refer to two

		<p>appointed as the Interim Chair pending the recruitment of a permanent Chair. It is expected that a permanent Chair will be in place early in January 2018.</p> <p>The Board's Nominations and Remuneration Committee undertakes succession planning annually and in the course of recruiting new members. With regard to new diversity succession planning requirements, the Committee will agree an approach at its meeting on 5 October and review annually thereafter.</p>	<p>distinct, but related, concepts: members' skills, experience, knowledge and other relevant attributes, such as personal values; and diversity of members in relation to their relation to their protected characteristics as defined by The Equality Act 2010.</p> <p>Although the Scottish Ministers are ultimately responsible for making most Board appointments, there is much that public bodies can do themselves to ensure that, when Chair or Board positions do arise, they are prepared to maximise opportunities to attract candidates that meet the body's needs.</p> <p>In relation to succession planning activity, it is expected that bodies:</p> <p>take action both during and between board member recruitment exercises to attract the broadest range of candidates to the work of the Board;</p> <p>provide mentoring, shadowing and training opportunities for potential Board members; and</p> <p>consider the role of nominations committees.</p> <p>See the Succession Planning Guidance for Public Body Boards (as published in February 2017).</p>
12.6 Relationships – Are arrangements in place to support strong, strategic relationships with the public body to ensure effective collaboration in delivering business/corporate plans?	Yes/ No	The GCRB Board includes the Chairs of the Assigned College Boards, and at executive level, the Glasgow Colleges Group structure and the collaborative management regional lead arrangements provide a basis for working in partnership to deliver shared strategic objectives.	Sponsorship should always be considered a strategic activity, based on strong relationships characterised by openness, trust, respect and mutual support. The objective is to find ways of working with bodies that engage and empower them in a shared vision and understanding of the strategic environment, while ensuring proportionate arrangements are in place to safeguard public funds and incentivise performance.
12.7 Finance – Does your sponsored body demonstrate financial capability by providing	Yes/ No	As part of the process of attaining 'fully operational status', GCRB approved an organisational structure that includes the	Evidence of a body's financial capability will be provided through activity such as: external audits, CIPFA capability

accurate and timely financial monitoring and forecasting information to the Scottish Government?		post of Finance & Resources Director. The recruitment to this post is taking place in September 2017. GCRB has utilised the services of an external contractor to provide the financial support on an interim basis.	assessments and financial monitoring/forecasting. It is essential that public bodies provide accurate financial monitoring and forecasting information to the SG as part of the overall management of the Scottish Budget.
12.8 Fair Work - Is your sponsored body an exemplar as a Fair Work employer: demonstrating commitment to fairness through being an accredited Living wage employer, promoting:- equality, youth employment, engagement and workforce development and working to deliver the Fair Work Convention's Fair Work Framework?	Yes/ No (Partly)	The Glasgow Region Strategic Plan for College Education includes a commitment to promote and embed Fair Work values and Behaviour. At the September 4 Board meeting, it was agreed that all Glasgow Colleges and GCRB will seek to become accredited Living wage employers.	For example, you may wish to check if the body is an accredited Living Wage employer; has it got an invest in youth plan with stretching targets to recruit and develop young people (e.g. recruiting Modern Apprentices); runs an employee engagement survey and takes action on the results; works in positive partnership with trades unions. How have you used procurement policies to encourage the living wage and youth employment in your supply chain?
12.9 Digital - Have all IT and digital projects been recorded with the Office of the Chief Information Officer and has the ICT Investment Checklist and Integrated Assurance and Approval Plans been completed for projects by your sponsored body?	Yes/ No	Not applicable.	Systems should be in place to ensure all business cases are assessed. Any investment in transformational projects containing an ICT element should be registered on the ICT Investment Register, held by the Office of the Chief Information Officer. Further advice can be found on OCIO Assurance or by emailing OCIOAssurance@gov.scot
12.10 Fraud - Does your sponsored body have effective arrangements to counter fraud, bribery and corruption through a well communicated counter fraud policy, an up-to-date fraud action plan and effective avenues for reporting suspicions of fraud?	Yes/ No	GCRB approved an Anti-Bribery Policy at the meeting of the Board on 22 May 2017. A new Anti-Fraud Policy will be considered by the Audit Committee on 3 October 2017.	Processes should be in place to ensure that policies for fraud response are consistent with SG guidance, including a review of current fraud response activity, whilst ensuring robust reporting procedures have been adopted by sponsored bodies. Further information can be found in the Fraud section of the SPFM and the SG Counter Fraud Strategy, Policy and Response Plan.

<p>12.11 Procurement -How confident are you that procurement is managed and procurement processes are maintained, proportionate to the organisation's spend and comply with current procurement legislation including increasing the involvement of small and medium enterprises, third sector bodies and supported businesses in procurement exercises. Do staff in the organisation have the appropriate range of skills and expertise to manage its commercial and procurement activity?</p>	<p>Yes/No</p>	<p>GCRB's procurement arrangements are covered in section 7 above.</p> <p>It is expected that the responsibility for Procurement will be included within the role profile for the new Finance & Resources Director. As such, this is likely to be a consideration within the pending recruitment process.</p> <p>GCRB also uses the procurement expertise that is available within the Glasgow Regional Procurement Team and APUC. This provides GCRB with access to specialist procurement advice as appropriate.</p>	<p>Further guidance can be found in the Procurement section of the SPFM and the Scottish Procurement Capability Team Knowledge Hub and The Procurement Journey. Organisations that meet the financial thresholds of the Procurement Reform Act should have published a procurement strategy and notified Scottish Ministers (by 31 December 2016). Organisations should have published a contract register.</p>
<p>13. Compliance</p>			
<p>13.1 Do you have processes in place to ensure compliance with applicable existing, new and updated policies, procedures, laws and regulations – including those referred to separately in this Checklist e.g. the SPFM?</p>	<p>Yes/No</p>	<p>GCRB regularly monitors sector updates (e.g. Colleges Scotland briefings and SFC announcements). GCRB Executive Staff also participate in sector/role specific fora where further opportunity is provided to ensure GCRB is updated on compliance issues.</p>	<p>Processes might refer to desk instructions, local checklists, retention schedules and/or periodic management checks e.g. relating to the existence of statutory authority for expenditure and the holding / provision of information under the Data Protection and Freedom of Information Acts. The level of response should reflect the work of the Division.</p> <p>(Guidance on Data Protection responsibilities and FOI is available on the Intranet.)</p>
<p>13.2 Do you have appropriate arrangements in place to ensure staff are appropriately trained and supported to handle FOI and EIR requests in line with legislative requirements?</p>	<p>Yes/No</p>	<p>Handling of requests received under FOI(S)A and EI(S)R is overseen by a member of staff with appropriate knowledge and experience. Arrangements are reviewed periodically to ensure compliance and review of GCRB's publication scheme is incorporated into 2017-18 operational plans. GCRB's legal advisors would be consulted on any matter as necessary.</p>	

<p>13.3 Are your staff appropriately trained and aware of their Data Protection and information security responsibilities?</p>	<p>Yes/No Partly</p>	<p>Data protection and records management arrangements are proportionate to the small scale of the organisation as a data controller. Data Subject Access requests are overseen by an appropriately experienced member of staff. Arrangements are currently under review in the context of the General Data Protection Regulation coming into force in May 2018 and this is an action within the 2017-18 operational plans.</p>	<p>IAOs must ensure that their staff successfully complete the mandatory annual DPA eLearning and Responsible for Information eLearning packages (please note : specific IAO training module)</p> <p>All staff should have read and understood the relevant policies and guidance (such as DPA, IT Code of Conduct, and Records Management). All staff should be aware of how to handle requests for personal data: from individuals (Subject Access Requests) as well as 3rd parties; and when a Data Sharing Agreement is appropriate. (Guidance can be found on the Intranet: Subject Access Requests; IT Code of Conduct; Data Protection)</p>
<p>13.4 How confident are you that your staff are aware of the cyber threats pertinent to your business. Are you and your staff taking all required actions about safeguarding your information assets and the corporate infrastructure. Are any risks of attack your business area is taking known, understood and formally accepted?</p>	<p>Yes/No</p>	<p>City of Glasgow College provides all IT services to GCRB. GCRB relies upon the cyber security measures that the college uses to protect its own software and systems.</p>	<p>Staff need to be aware of the main cyber risks and be taking action in all areas e.g. cloud, mobile, spoof emails and data transmission. Any procurement and business process must take regard of cyber threats. Any risk the business takes in this area must be stated, understood and signed off. Any threat to the corporate infrastructure requires additional clearance.</p>
<p>14. Review</p>			
<p>14.1 How confident are you about the robustness of your arrangements for reviewing and improving the effectiveness and efficiency of controls in your area?</p>	<p>Yes/No</p>	<p>The fundamental change (for GCRB) during the year has been the granting of fully operational status from 1 April 2017. As a result, GCRB implemented a number of additional processes and procedures during the year ending 31 July 2017. GCRB has also implemented a new organisational structure to ensure that it has the resources, and expertise, necessary to fulfil its duties.</p>	<p>You should be reviewing internal controls in your area at appropriate points in time e.g. when processes change or operational shortcomings come to light.</p> <p>Has anything happened during the course of the financial year that has raised questions about the controls that you have in place? E.g. has the running of the regular financial monitoring exercises suggested any shortcomings? Have there been any particular queries that may lead to doubts about how the controls are operating?</p> <p>(Guidance on internal controls is provided in the main</p>

			section of the SPFM on Certificates of Assurance .)
14.2 How confident are you that you have a comprehensive picture (eg through an Assurance Map) of the sources of evidence underpinning your assessment of controls?	Yes/ No	The executive of GCRB is confident that the evidence available underpins the assessment above. This assessment is also underpinned by independent, for example internal audit.	You should provide details of any key weaknesses identified and the steps taken to resolve these. How confident are you that you and your staff are sufficiently aware of the types of independent review (e.g. Internal Audit, Gateway Review, ICT Assurance Review, Digital First Review, review by external consultants) to support your assurance, and of how to access them?
14.3 Based on the assurances you have of whether your objectives, risk management and internal controls are being met and operating successfully, are there any key areas that would benefit from independent review?	Yes/ No (Partly)	Overall, the above assessments provide assurance that GCRB has in place an effective system of control. However, as a relatively new organisation with limited staffing, GCRB is still developing control related protocols and arrangements. As highlighted within this review, the areas related to quality impact assessment and information asset management require further development and would potentially benefit from independent review and support.	
14.4 Where objectives, risks and controls in your area have been subject to independent review, how confident are you that recommendations arising from these reviews have been acted on in a timely fashion?	Yes/ No	The principal independent reviews have been undertaken by internal and external audit. Action plans have been produced in response to recommendations and progress reported on a regular basis to the Audit Committee. GCRB was also subject to a review of its governance by the SFC prior to it awarding GCRB fully-operational status.	
15. Other Issues			
15.1 Apart from the issues raised above, are there any significant control matters arising in your area which could adversely affect	Yes/No	There are no other issues that the executive of GCRB are aware of.	Provide here details of any other control problems, specific to your area of responsibility, which you have encountered during the year.

the signing of the Scottish Government's Governance Statement by the Perm Sec?			
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