

## Board Meeting

Date of Meeting	Tuesday 27 October 2015
Paper Title	Fully-operational fundable body status
Agenda Item	15
Paper Number	BM2-0
Responsible Officer	Martin Fairbairn, Interim Chief Officer
Status	Disclosable
Action	For Discussion

### 1. Report Purpose

1.1 To report on progress towards achievement of fully-operational fundable body status.

### 2. Recommendations

2.1 The Board is invited to **comment** on this progress report.

### 3. Consideration by the Performance & Resources Committee

3.1 Progress was reviewed by the Performance and Resources Committee at its meeting on 5 October 2015. The Committee noted the progress report and was pleased that all actions were on track.

### 4. Background

4.1 In order to be granted fully-operational fundable body status, a set of criteria were agreed with the Scottish Funding Council. During May and June the Interim Chief Officer created a detailed implementation plan to manage achievement of the SFC's requirements. A copy of the plan was shared with all Board members by email.

### 5. Progress report

5.1 Attached as an annex to this paper is the current status of achievement against the criteria. Despite some slight slippage during the summer (due to unexpected other business), achievement is on track.

5.2 Meetings have taken place with SFC officers to review progress with the actions set out in this plan. The Interim Chief Officer has asked the SFC to provide further information on the timetable and any specific aspects relating to the granting of fully-operational fundable body status in advance of the Board meeting on 27 October.

**6. Risk Analysis**

**6.1** Achievement of fully-operational fundable body status is key to GCRB being able to play its full role in the Glasgow region.

**7. Legal Implications**

**7.1** There are no specific legal implications arising from this paper.

**8. Financial Implications**

**8.1** Achievement of fully-operational fundable body status will enable GCRB to assume its full financial responsibilities and accountabilities.

**9. Regional Outcome Agreement Implications**

**9.1** There are no specific implications for the Regional Outcome Agreement arising from this paper.

No	Key question	Previous SFC assessment status	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15
1	Section 1 Board Composition						
1.1	Does the composition of the Board conform with the legislation?	The Board currently has 15 members as required in the legislation. However, we are aware that the student members leave at the end of August and there won't be new student members elected until late September. Also, there are		Recruitment process for two new members worked up (esp inclusion of staff and student involvement)	Vacancies for two new members publicised appropriately	Interviews for two new members held.	N&R Committee recommends two new appointments  Board agrees to two new appointments
1.2	Does the composition of the Board represent an appropriate balance of skills and expertise?	See 1.1	See 1.1	See 1.1	See 1.1	See 1.1	See 1.1
2	Section 2 : Board Constitution and Operation						
2.1	Does the Board have a constitution which complies with the principles of good governance set out in the Code of Good Governance for Colleges	Achieved					
2.2	Are there standing orders setting out how the Board will conduct its business?	Achieved					

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2.3	Is there a formal Code of Conduct for Board members?	Partially achieved. The SFC's observation of the Board meeting highlighted there was a lack of clarity around the recommendations being made to the Board and it was difficult to be clear about what decisions were being made by the Board. There should be another board observation session.					SFC to observe October board meeting
2.4	Have the Board members received a comprehensive induction to their role? Is there an ongoing training and development programme for board members?	Partially achieved. The Board member interviews identified the need for development of the induction process. Further thought should be given to ongoing training and development needs.		Board member training and induction arrangements developed	Training session to be delivered as part of workshop day		N&R Comm review training arrangements.
2.5	Is there a scheme of delegation in place, including matters reserved for the Board?	Not achieved	Interim scheme agreed at 1 June meeting				Draft full scheme considered by P&R Comm  Full scheme agreed by Board

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2.6	Are Board members clear on the division of responsibilities between the Chair and Chief Officer? Are respective roles clearly documented?	Achieved for the interim Chief Officer	Confirm to SFC that Interim Chief Officer is in place with full powers of Executive Director				See 2.5
2.7	Is the role of Secretary to the Board clearly set out and appropriately independent?	Not achieved	Seek Secretary to the Board	Secretary to Board arrangement established	<i>Revised approach to identification of Board Secretary explored</i>	<i>Agreement in principle with an assigned college</i>	<i>Board Secretary arrangements considered by N&amp;R Committee</i>  <i>Board Secretary arrangements approved by Board</i>
2.8	Does the Board Secretary have the appropriate skills and experience?	Not achieved		See 2.7			See 2.7
2.9	Are there appropriate arrangements for agenda setting, circulation of papers and minute-taking for Board meetings?	Achieved					
2.1	Are Board meetings scheduled to be held regularly?	Achieved					
2.11	What measures has the Board adopted to promote openness and transparency in its functions?	Achieved					
2.12	Is there a register of interests for board members and senior staff? Is it publicly available?	Achieved					
2.13	Is there a gift and hospitality register which is being regularly updated?	Achieved					

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3	3. Board committee structure						
3.1	Does the Board have an effective committee structure?	Partially achieved	Arrange for next/first meetings of all committees		Committees meeting in August and October  Confirm terms of reference still valid  <i>[Audit Committee identified changes - to be considered at its next meeting]</i>		Committees meeting in August and October  Confirm terms of reference still valid  Make any necessary changes to committee terms of reference at Board meeting.
3.2	Are there terms of reference for all committees?	Achieved					
3.3	Is the mix of members on board committees appropriate?	Not achieved	Provide SFC with list of Committee members		Do something at Board workshop that's relevant to informing Board skills requirements		N&R Committee consider skills needs  Board considers board and committee skills needs, if necessary
3.4	Are committees scheduled with adequate frequency and in line with Board meetings?	Not achieved	Provide SFC with planned calendar of meetings				
3.5	Does the audit committee comply with SG Audit committee handbook requirements?	Not achieved	Write to SFC with: details of Chair; planned cycle of meetings; and terms of reference.		Audit Committee meeting. Write afterwards to SFC with copy of papers and draft minutes.		Write to SFC confirming related criteria met (3.3, 5.3, 6.1, 6.2, 6.3, 6.4, 7.1, 7.2)

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4	4. Board strategic planning						
4.1	Does the Board have adequate planning processes to determine the regional objectives and to monitor their achievement?	Partially achieved	Draft overall process at officer level	Review proposed overall process among all assigned colleges	Refine proposed overall process		Consider annual process at P&R Committee  Board receives performance monitoring report
4.2	Are there procedures in place to monitor performance against plan?	Not achieved	Start designing performance monitoring framework	Begin populating performance monitoring framework	Review draft performance monitoring framework		P&R Committee receives performance monitoring report  Board receives performance monitoring report
5	5. Financial management						
5.1	Does the Board have financial regulations and procedures approved by the Board?	Not achieved	Commission drafting of regulations and procedures	Drafting underway	Draft documents available for review		Draft documents reviewed by P&R Committee  Draft documents approved by Board
5.2	Does the Board have a comprehensive financial sustainability strategy?	Not achieved	Discuss with SFC key components  Commission drafting	Drafting completed			Draft strategy approved by Board
5.3	Does the institution have a VFM strategy approved by the Board?	Not achieved	Commission drafting of VFM strategy	Draft completed	Draft reviewed by Audit Committee		Draft strategy approved by Board
5.4	Does the Board receive regular consolidated financial reports?	Not achieved	Commission development of consolidated financial reports (possible link to GCRB FFPRS project)	Draft consolidated financial report designed and process defined	Information collection for consolidated financial report  Draft consolidated financial report available		P&R Committee receives consolidated financial report  Board receives consolidated financial information

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5.5	What is the status of the personnel /outsource agency responsible for finance?	Not achieved	Commission drafting of a SLA re City of Glasgow arrangement		SLA draft available for review  Write to SFC with copy and information about status of City of Glasgow finance team	SLA draft available for review  Write to SFC with copy and information about status of City of Glasgow finance team	
6	6. Risk management arrangements and internal control systems						
6.1	Is there a documented risk management policy and procedure in place? Is this compliant with SPFM?	Not achieved	Commission preparation of risk management policy and procedure	Draft risk management policy and procedure prepared	Review draft risk management policy and procedure at Audit Committee		Approve risk management policy and procedure at Board  Board considers proposed changes to committee remits re responsibilities for risk oversight at specific risk session
6.2	Is there a risk register outlining the key risks of the Board?	Not achieved	Commission design and initial population of risk register  Propose cross-region management-level risk group	Meeting of cross-region management-level risk group to consider key risks, controls, etc	Design of risk register reviewed by Audit Committee  Meeting of cross-region management level risk group to review draft risk register		Board receives risk register at specific risk session



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6.3	Does the Board set the risk appetite for the region?	Not achieved	Commission research into approaches to risk appetite	Meeting of cross-region management-level risk group - initial consideration of risk appetite	Design of risk register reviewed by Audit Committee  Meeting of cross-region management level risk group - consider draft risk appetite and approach		See 6.2
6.4	Is the Board's oversight of risk appropriate and adequate?	Not achieved	See 6.1 to 6.3 above	See 6.1 to 6.3 above	See 6.1 to 6.3 above		See 6.1 to 6.3 above
7	7. Internal audit function						
7.1	Has the Board appointed internal auditors?	Not achieved	Find out internal audit arrangements across the three colleges.  Find out nature of APUC internal audit contracts  Discuss options with assigned colleges  Draft likely work programme  Identify a college to lead the procurement process	Preparation of necessary Audit Committee papers  Initial procurement activity	Audit Committee agrees approach to provision of internal audit  Procurement activity commences	Internal audit procurement activity	Board ratify appointment of internal auditors

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7.2	Has a strategic and annual plan been prepared?	Not achieved	Commission drafting of strategy and annual plan	Preparation of draft strategy and draft annual plan	Audit Committee reviews draft strategy and draft annual plan	Audit Committee sign off of strategic and initial annual internal audit plans (by correspondence)	<i>Audit Committee reviews draft strategy and draft annual plan after appointment of internal auditors confirmed.</i>

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8	8. Oversight of regional colleges						
8.1	Does the Board have an appropriate Financial Memorandum (FM) with its assigned colleges?	Not achieved	Start discussions with SFC re SFC/GCRB relationship post assigned college FM agreement and achievement of fully-operational fundable body status	Engagement with assigned colleges re final revisions to assigned colleges' FM			Sign off of FM with assigned colleges by P&R Committee  (Sign off by assigned college boards to align with transfer of responsibility to GCRB.)
8.2	Does the Board have an agreement with each assigned college setting out expected activity levels and outcomes in the current year?	Not achieved	Liaise with SFC and assigned colleges to agree targets and financial allocations  Discuss with assigned colleges format of individual outcome agreements	Draft individual outcome agreements		Regional Outcome Agreement and individual assigned college financial allocations issued by SFC	
8.3	Does the Board have procedures in place to monitor delivery of the agreement during the year and assess performance on an annual basis?	Not achieved	See 4.2	See 4.2	See 4.2		See 4.2
8.4	Are the colleges required to submit periodic financial reports to the Board?	Not achieved	See 5.4	See 5.4	See 5.4		See 5.4
9	9. Board effectiveness						

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9.1	Does the Board have processes in place to measure its own effectiveness?	Not achieved	Draft initial effectiveness review material for use in advance of August workshop.	Agree initial effectiveness review material with Interim Chair and Chair of N&R Committee, and issue to Board members.  Drafting of annual effectiveness review policy, procedure and materials.  Return, collation and summarisation of effectiveness	Return, collation and summarisation of initial effectiveness review material.  Drafting and review of annual effectiveness review policy, procedure and materials.  Effectiveness review summary material input to Board workshop.		N&R Committee reviews draft board and committee effectiveness review policy and procedure  Board approves board and committee effectiveness review policy and procedure

**Key**

	Section headings for checklist
	Completed / achieved
	Planned to be completed at board meeting on 27/10/15
	Outstanding/late
	<i>Items in italics indicate changes to the plan since the previous version</i>