

## Audit and Assurance Committee Meeting

Date of Meeting	Tuesday 5 October 2021
Paper Title	Internal Audit Follow Up Review
Agenda Item	8
Paper Number	AAC1-C
Responsible Officer	Jim Godfrey, Finance & Resources Director
Status	Disclosable
Action	For Noting and Comment

### 1. Executive Summary

**1.1.** The Internal Audit Follow Up Review has been prepared by Henderson Loggie and the report is provided to the Audit and Assurance Committee for consideration.

### 2. Recommendations

**2.1.** The Committee is invited to **note**:

- The Internal Audit Follow Up Review and **comment** as appropriate.

### **3. Report**

**3.1.** The Internal Auditor has reviewed progress against the internal audit recommendations in 2019-20. The attached report shows the progress made against each recommendation together with the revised completion dates as appropriate.

**3.2.** As can be seen from the report, some of the original recommendations have been impacted by the work of the Strategic Review.

### **4. Risk and Compliance Analysis**

**4.1.** The work of the Internal Auditor is informed by an assessment of risk. The approach to audit planning reflects an overall assessment of the relevant risks that apply to GCRB. This ensures that the audit focuses on the areas of highest risk.

**4.2.** There are no legal implications as a result of this report.

### **5. Financial and Resource Analysis**

**5.1.** The internal audit programme is based upon an average requirement of 15 days per annum. The cost per day is based upon the price previously tendered by Henderson Loggie.

### **6. Equalities Implications**

**6.1.** There are no equalities implications as a direct result of this report.

### **7. Learner Implications**

**7.1.** Through the conditions of grant associated with the Regional Outcome Agreement, GCRB is required to conduct its affairs in accordance with the expected standards of good governance, which includes independent scrutiny and audit.

# Glasgow Colleges Regional Board

## Follow Up Reviews

2020/21

Internal Audit report No: 2021/02

Draft issued: 28 September 2021

Final issued: 28 September 2021



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# Management Summary

## Introduction and Background

As part of the Internal Audit programme at Glasgow Colleges Regional Board ('the Board') for 2020/21 we carried out a follow-up review of the recommendations made in Internal Audit reports issued during 2019/20. These were:

- Internal Audit Report 2020/03 – Shared Services;
- Internal Audit Report 2020/04 – Collaborative Training; and
- Internal Audit Report 2020/05 – Risk Management.

Internal Audit Reports 2020/01 – Strategic / Annual Plan, 2020/02 – Monitoring of Achievement of Target Student Numbers and Delivery of Enhanced Regional Outcomes and 2020/06 – Annual Report were not followed-up as these reports did not contain any recommendations.

## Objectives of the Audit

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

## Audit Approach

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

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

## Overall Conclusion

The Board has made some progress in implementing the recommendations followed-up as part of this review although only one recommendation (14%) has at this stage been categorised as 'fully implemented'. Four recommendations (57%) have been assessed as 'partially implemented' and two (29%) as showing 'little or no progress'.

The two recommendations assessed as showing 'little or no progress' are from Internal Audit Report 2020/04 – Collaborative Training. The Regional Lead facility has been changed and is no longer available. In its place, GCRB is commencing discussion to identify the best place, or existing grouping, to consider, and then make recommendations on implementation of the Collaborative Training Plan.



## Overall Conclusion (continued)

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

From Original Reports			From Follow-Up Work Performed				
Area	Rec. Priority	Number Agreed	Fully Implemented	Partially Implemented	Little or No Progress Made	Not Past Agreed Completion Date	Considered But Not Implemented
Shared Services	1	-	-	-	-	-	-
	2	1	-	1	-	-	-
	3	-	-	-	-	-	-
<b>Total</b>		<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>
Collaborative Training	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	2	-	-	2	-	-
<b>Total</b>		<b>2</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>
Risk Management	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	4	1	3	-	-	-
<b>Total</b>		<b>4</b>	<b>1</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Totals</b>		<b>7</b>	<b>1</b>	<b>4</b>	<b>2</b>	<b>-</b>	<b>-</b>

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

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

## Acknowledgements

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



## Appendix I - Updated Action Plan

### Internal Audit Report 2020/03 – Shared Services

Original Recommendation	Priority	Management Response	Agreed	To Be Actioned By	No Later Than	Progress at August 2021
<p><b>R1</b> In order to progress the shared services agenda within the Glasgow colleges region, we should suggest a two-step approach to reinvigorate and facilitate the shared service discussion as follows:</p> <p>Step 1 - the GCRB Executive should consider leading the establishment of a regional working group which specifically focuses on identifying opportunities for shared services across the Glasgow colleges region.</p> <p>Step 2 - the GCRB Board should then consider the role which it should play if a consensus cannot be reached on how to implement the shared services initiatives identified. Any intervention by the Board would be informed by an analysis of any potential benefits; the barriers which may prevent opportunities being realised; and the resource requirements, from all parties, which are needed to achieve successful implementation.</p>	2	The two-step process is agreed and will be progressed as an important component of the Review of Coherent Provision and Sustainability of the Glasgow College Region.	Yes	<p>Step 1 – Executive Director</p> <p>Step 2 – GCRB Chair</p>	30 June 2021	<p>Shared Services has been included in the remit of the Review of the Glasgow college system and is therefore being considered by the GCRB Board.</p> <p>In addition, it is included in the remit for tender of external consultants to deliver an options appraisal process for the regional review.</p> <p>The Board and options appraisal processes are currently developing activity in line with Step 1 recommendation to consider opportunities.</p> <p>This will progress to Stage 2, as the options appraisal work will provide analysis to inform Board decision and direct future work in line with the SFC directions around future sustainability and financial viability of the Glasgow colleges.</p> <p><b>Revised completion date:</b> 17 December 2021</p> <p><b><i>Partially Implemented</i></b></p>



## Appendix II - Updated Action Plan

### Internal Audit Report 2020/04 – Collaborative Training

Original Recommendation	Priority	Management Response	Agreed	To Be Actioned By	No Later Than	Progress at September 2021
<p><b>R1</b> The Regional OD Group should be reconstituted, with a new Chair appointed to lead the Group and develop delivery plans to finish the outstanding elements from the agreed 2019/20 Collaborative Training Plan.</p>	<p><b>3</b></p>	<p>Agreed. We will address this via a review of the Regional Lead roles and responsibilities.</p>	<p>Yes</p>	<p>Executive Director</p>	<p>28 February 2021</p>	<p>Regional Lead facility has been changed and is no longer available. In its place, GCRB is commencing discussion to identify the best place, or existing grouping, to consider, and then make recommendations on implementation of the Collaborative Training Plan. Existing examples of good practice can be drawn on, including joint work with CWT, ESOL etc to provide a collaborative space to identify and share opportunities</p> <p><b>Revised completion date:</b> 17 December 2021</p> <p><i>Little or No Progress Made</i></p>





## Follow Up Reviews 2020/21

Original Recommendation	Priority	Management Response	Agreed	To Be Actioned By	No Later Than	Progress at September 2021
<p><b>R2</b> The reconstituted Regional OD Group, as part of any future planning activity, should undertake an evaluation of the elements of the 2019/20 training plans that have been delivered in order to assess the effectiveness of the initiatives assessed and to identify any further work required in these areas. To measure the success of the collaborative initiatives and plans delivered by the Regional OD Group clear and measurable criteria should be established. These should be used to measure the success of the delivered plans for collaborative training and identify opportunities to improve the delivery of future shared serviced initiatives across GCRB.</p>	<p><b>3</b></p>	<p>Agreed. This recommendation will be progressed by the Regional Lead for OD (under the guidance of the GCRB Executive Director).</p>	<p>Yes</p>	<p>GCRB Executive Director</p>	<p>31 July 2021</p>	<p>As per above, for initial consideration at appropriate group, with recommendations to be made to GCRB Executive Director and shared with GCG Principals / Executive Group for action.</p> <p><b>Revised completion date:</b> 17 December 2021</p> <p><b><i>Little or No Progress Made</i></b></p>



## Appendix III - Updated Action Plan

### Internal Audit Report 2020/05 – Risk Management

Original Recommendation	Priority	Management Response	Agreed	To Be Actioned By	No Later Than	Progress at September 2021
<p><b>R1</b> The role and remit of the Audit and Assurance Committee should be reviewed to ensure that it properly articulates the role of the Committee in overseeing the risks identified by the three assigned Colleges and the way in which these deliberations should feed into the Board discussions around risk. These responsibilities should also be reflected in the assurances provided around the risk management arrangements, and specifically the description of remit of the Audit and Assurance Committee in relation to risk management, contained within the Annual Report and Consolidated Statements and should be reflected in the next iteration of the Risk Management Policy and Procedure.</p>	3	<p>The role and remit of the Audit and Assurance Committee will be reviewed.</p> <p>The Annual Report will be revised.</p> <p>The Risk Management Policy and Procedure will be revised</p>	Yes	<p>Board Secretary</p> <p>Finance &amp; Resources Director</p> <p>Finance &amp; Resources Director</p>	<p>25 January 2021</p> <p>25 January 2021</p> <p>30 June 2021</p>	<p>Terms of Reference approved by the Audit and Assurance Committee on 12 January 2021 and then the Board.</p> <p>'Revision' reflected in the Annual Report 2019/20, which was approved by the Board on 25 January 2021.</p> <p>The latest Risk Management Policy and Procedure was approved by the Audit and Assurance Committee on 1 June 2021 although was not updated to set out the Committee's role in overseeing the risks identified by the assigned colleges, similar to what has been included in the Terms of Reference and Annual Report. Management propose to make this change for the next meeting of the Committee in January 2022 and then seek the approval of the Board.</p> <p><b>Revised completion date:</b> 24 January 2022</p> <p><b>Partially Implemented</b></p>



## Follow Up Reviews 2020/21

Original Recommendation	Priority	Management Response	Agreed	To Be Actioned By	No Later Than	Progress at September 2021
<p><b>R2</b> The covering paper prepared to accompany the Strategic Risk Register should be adapted to signpost Board members to any risks where the residual risk level exceeds the agreed risk appetite level.</p>	3	Agreed. The covering paper will be amended to incorporate this recommendation.	Yes	Executive Director	25 January 2021	<p>New Board template for papers being introduced for the 2021/22 academic session. The next GCRB risk paper will be presented to the Board at the end of November and will reflect this recommendation.</p> <p>The risk register itself has been amended to show the risk target (appetite) against each risk. This is a similar 'traffic light' system to the one for each risk. This enables Board members to compare the current risk with the target.</p> <p><b>Revised completion date:</b> 29 November 2021</p> <p><b><i>Partially Implemented</i></b></p>
<p><b>R3</b> As part of the ongoing work to develop Risk management action Plans, consideration should be given to identifying specific timelines for the completion of mitigating actions or treatments and these should be aligned to a named individual to improve accountability.</p>	3	Agreed. The recommendation will be reflected in the development of Risk Management Action Plans.	Yes	Finance & Resources Director	30 June 2021	<p>Risk Management Action Plans have been prepared for all risks and agreed on by the GCRB Executive Director. These include timelines for the completion of mitigating actions or treatments. The risk owner is seen as the person responsible for overseeing the actions although management noted that the action plans could be further developed by adding a named person to individual actions where relevant.</p> <p><b><i>Fully Implemented</i></b></p>



## Follow Up Reviews 2020/21

Original Recommendation	Priority	Management Response	Agreed	To Be Actioned By	No Later Than	Progress at September 2021
<p><b>R4</b> As part of the work to develop the refreshed Strategic Plan for GCRB, a session should be held to revisit the Board's risk appetite in order to ensure that there is alignment with the new strategic priorities and to ensure that the risk appetite levels set out in the Risk Management Guidance are a true reflection of the agreed risk appetite of the Board moving forward.</p>	3	<p>Agreed. The recommendation will be implemented following the adaptation by the Board of the Strategic Plan.</p>	Yes	Executive Director	30 June 2021	<p>Strategic development of the new plan for 2022 commences in September 2021, after which new strategic priorities shall be established, then renewed risk register and appetite to reflect change. This will progress through 2021 and into early 2022 for full completion.</p> <p><b>Revised completion date:</b> 31 July 2022</p> <p><b><i>Partially Implemented</i></b></p>



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