

Audit and Assurance Committee Meeting

Date of Meeting	Tuesday 11 January 2022
Paper Title	Internal Audit Report Stakeholder Engagement
Agenda Item	8
Paper Number	AAC2-D
Responsible Officer	Henderson Loggie
Status	Disclosable
Action	For Noting and Comment

1. Executive Summary

- 1.1. The Internal Audit report on stakeholder engagement has been prepared by Henderson Loggie and is provided to the Audit and Assurance Committee for consideration.

2. Recommendations

- 2.1. The Committee is invited to **consider** the Internal Audit report on stakeholder engagement and **comment** as appropriate.

3. Report

3.1. The Internal Auditor has provided a review of stakeholder engagement using the scope of works approved by this Committee at its previous meeting. The attached report shows the key findings and recommendations.

4. Risk and Compliance Analysis

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

4.2. There are no legal implications 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. This report was scheduled to utilise 5 days of the 2020-21 allocation. 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 College's Regional Board

Stakeholder mapping / engagement

Internal Audit report No: 2021/05

Draft issued: 06 January 2022

Final issued: 07 January 2022



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Level of Assurance

In addition to the grading of individual recommendations in the action plan, audit findings are assessed and graded on an overall basis to denote the level of assurance that can be taken from the report. Risk and materiality levels are considered in the assessment and grading process as well as the general quality of the procedures in place.

Gradings are defined as follows:

Good	System meets control objectives.
Satisfactory	System meets control objectives with some weaknesses present.
Requires improvement	System has weaknesses that could prevent it achieving control objectives.
Unacceptable	System cannot meet control objectives.

Action Grades

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



Management Summary

Overall Level of Assurance

Good	System meets control objectives.
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Risk Assessment

This review focused on the controls in place to mitigate the following risks on the Glasgow Colleges Regional Board ('the GCRB') Strategic Risk Register:

- Effective working relationships are not developed/maintained with key partners due to a focus on short-term internal priorities.
- The reputation of the College Sector in Glasgow is damaged as a result of adverse publicity.
- Working relationships within the Glasgow College Region (e.g. students, staff, board members) are ineffective and reduces our collective impact.

Background

As part of the Internal Audit programme at the GCRB for 2020/21 we carried out a review of Stakeholder mapping and engagement. This is an area where risk can arise and where Internal Audit can assist in providing assurances to the Executive Director and the Audit and Assurance Committee that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

GCRB works with a wide range of partners both within the tertiary education sector and outwith. The development and maintenance of effective working relationships with key stakeholders plays an important role in the shaping and delivery of regional priorities.



Scope, Objectives and Overall Findings

The scope of this audit was to conduct a review of the adequacy and effectiveness of the processes and procedures for stakeholder mapping and engagement..

The table below notes each separate objective for this review and records the results:

Objective	Findings		
	1	2	3
The objective of our audit was to obtain reasonable assurance that	No. of Agreed Actions		
1. There is a process in place to identify key external stakeholders and to align them with regional strategic objectives.	Good	-	-
2. There is regular dialogue between GCRB and external stakeholders to facilitate the delivery of regional priorities.	Good	-	-
3. Effective governance arrangements are in place for effective stakeholder/partnership working – specifically scrutiny and accountability arrangements.	Good	-	-
4. GCRB has agreed a set of measures and targets to track progress and demonstrate impact of stakeholder engagement, and there are good arrangements with partners for managing and reporting on partnership outcomes and actions, which are evidence-based (shared contextual analysis and information) and are aligned with the identified needs of the Glasgow region area / communities / service users.	Satisfactory	-	1
5. GCRB understands the collective resources required to deliver regional priorities and works well with stakeholders to direct funding, assets and staffing in a sustainable framework.	Good	-	-
Overall Level of Assurance	Good	-	1
		System meets control objectives.	



Audit Approach

Through discussions with the GCRB Executive Director and Finance and Resources Director and also separate discussion with the Glasgow City Region Lead in Skills Development Scotland, and review of supporting information, we have reviewed the effectiveness of GCRB’s stakeholder mapping and engagement arrangements.



Summary of Main Findings

Strengths

- Work as already been completed to develop a comprehensive list of key stakeholders for GCRB;
- The ongoing work to develop the new Regional Strategy will present an opportunity to engage with key stakeholders in shaping regional priorities and this will also allow further strengthening of the working relationship with these bodies;
- Our discussion with the Glasgow City Region lead for Skills Development Scotland (SDS) confirmed that there is regular dialogue with GCRB with a noticeable strengthening in the relationship between the two organisations in recent years;
- GCRB engage in Glasgow City Council interventions such as the Partnership for Economic Growth, which links directly into partnership activity around skills and employability and also inward investment and enterprise;
- Through the Enterprise and Skills Strategy Board GCRB volunteered to take part in a pilot exercise which examined labour market data in the areas in which the three Glasgow colleges operate;
- SDS confirmed that they are keen to provide input to the development of the new Regional Strategy;
- The GCRB Executive Director engages with a wide range of stakeholder groups;
- At a Glasgow City level there is an overarching Glasgow Colleges Group (GCG) in place, which operates primarily as an information sharing network. This Group includes the three Principals of the Glasgow Colleges and two other College Chairs. This is underpinned by a GCG Learning and Teaching Group;
- The development and agreement of performance measures is subject to scrutiny by the Performance and Resources Committee prior to formal endorsement by the GCRB Board;
- The GCG Learning and Teaching Group also provide input on the draft Regional Outcome Agreement, including proposed performance measures and targets;
- Performance reports are considered by the Performance and Resources Committee and then the GCRB Board regarding the key performance measures which are drawn from the Regional Outcome Agreement and are bound by the regional framework; and
- The Glasgow Colleges Group and relevant sub groups provide the opportunity for GCRB to engage with all three Vice Principals who have responsibility for finance and also to engage with College HR leads around the people aspects of delivery.

Weaknesses

- Work is ongoing to develop performance metrics as part of the new Regional Strategy and given the importance of stakeholders in delivering regional priorities it is vital that the impact of partnership working and stakeholder engagement is captured not only in the strategic priorities but also in the suite of performance metrics and targets.

Acknowledgment

We would like to take this opportunity to thank the staff at GCRB who helped us during our audit.



Main Findings and Action Plan

Objective 1 - There is a process in place to identify key external stakeholders and to align them with regional strategic objectives.

Work has already been completed to develop a comprehensive list of key stakeholders for GCRB. This builds on the list of regional and national organisations which was identified as part of the Glasgow Region Call for Evidence which was compiled and submitted at the request of the Scottish Funding Council.

The ongoing work to develop the new Regional Strategy will present an opportunity to engage with key stakeholders in shaping regional priorities and this will also allow further strengthening of the working relationship with these bodies. Workshops are planned for January 2022 to April 2022 which will ensure that input is sought from key stakeholders in relation to key areas such as funding, curriculum planning, employability, articulation, estates and ICT. This will also provide the opportunity for a more granular 'bottom up' approach to the gathering of evidence and data which will help to identify key issues and then formulate the regional approach to address these issues collectively.



Stakeholder mapping / engagement

Objective 2 - There is regular dialogue between GCRB and external stakeholders to facilitate the delivery of regional priorities.

Our discussion with the Glasgow City Region lead for Skills Development Scotland (SDS) confirmed that there is regular dialogue with GCRB with a noticeable strengthening in the relationship between the two organisations in recent years. It was highlighted that there had been little in the way of formal engagement with colleges by SDS until around five years ago, with any involvement prior to that time largely restricted to an annual meeting linked to a request to provide input to the Regional Outcome Agreement process. We were advised that a much more collaborative approach is now in place, which operates at national, regional and local levels. The various for a which GCRB are involved in are examined in more detail under Objective 3, below.

We were also advised that GCRB engage in Glasgow City Council interventions such as the Partnership for Economic Growth. This links directly into partnership activity around skills and employability and also inward investment and enterprise. The GCRB Executive Director and the SDS Glasgow City Region Lead are also part of the Young Persons Guarantee Steering Group which is involved in the distribution of relevant funding through local employability partnership arrangements.

The Enterprise and Skills Strategy Board was set up around three years ago to provide enhanced focus on improving the effectiveness of joint working between SFS and SDS (routinely referred to as 'skills alignment'). GCRB volunteered to take part in a pilot exercise which examined labour market data in the areas in which the three Glasgow colleges operate. This information has subsequently been used to inform the Regional Outcome Agreement and has fed into the discussion around the curriculum offering of the colleges.

SDS confirmed that they are keen to provide input to the development of the new Regional Strategy. This is likely to feed through the Glasgow Colleges Group (GCC) Learning and Teaching Group.



Stakeholder mapping / engagement

Objective 3 - Effective governance arrangements are in place for effective stakeholder/partnership working – specifically scrutiny and accountability arrangements.

The GCRB Executive Director engages with a wide range of stakeholder groups, although notable gaps exist in terms of involvement in groups which include universities and employability bodies. This has already been recognised by the Executive Director of GCRB.

The key governance group which involves stakeholder involvement is the GCRB Board, which includes representation from the three Glasgow Colleges and also includes student and trade union representatives.

At City Region level a Glasgow Region Group is in place which consists of GCRB, the three Glasgow Colleges, New College Lanarkshire, South Lanarkshire College, and Glasgow City Council, as well as involvement from SDS and SFC. We were advised by SDS that GCRB play an active role in this group.

At a Glasgow City level there is an overarching Glasgow Colleges Group (GCG) in place, which operates primarily as an information sharing network. This Group includes the three Principals of the Glasgow Colleges and two other College Chairs. This is underpinned by a GCG Learning and Teaching Group, which meets monthly. This group has a rotational Chair (with the chair held by the Vice Principal Curriculum and External Relations at Glasgow Clyde College at the time of our review). All three of the Vice Principals of Curriculum for the three Glasgow Colleges attend the GCG Learning and Teaching Group, together with GCRB Executive director and the Glasgow City Region Lead from SDS.

Our review of the minutes of the GCG Learning and Teaching Group confirmed the reporting of progress against the Regional Outcome Agreement for 2021/22, with specific updates provided around Strategic context; the Impact of the COVID-19 pandemic; the impact of national and Glasgow region reviews currently being undertaken; the achievements of the college sector and the on-going challenges; key priorities and commitments (including specific examples from individual colleges), current KPI position based on FFR returns, economic recovery and social renewal work. In addition a specific Programme of Action was discussed at this group with an update provided on activity and delivery. We noted that a rolling action plan is maintained for this group to track completion of agreed actions.

We also noted that the GCG Learning and Teaching Group were given the opportunity to provide comments on the draft Regional Outcome Agreement for 2022/23.



Stakeholder mapping / engagement

Objective 4 - GCRB has agreed a set of measures and targets to track progress and demonstrate impact of stakeholder engagement, and there are good arrangements with partners for managing and reporting on partnership outcomes and actions, which are evidence-based (shared contextual analysis and information) and are aligned with the identified needs of the Glasgow region area / communities / service users.

The importance of engaging effectively with the three Glasgow colleges to achieve shared ownership of any measures or targets was highlighted by GCRB senior management as a key component of the development of the performance metrics within the Regional Outcome Agreement and the new Regional Strategy. The development and agreement of performance measures is subject to scrutiny by the Performance and Resources Committee prior to formal endorsement by the GCRB Board.

The Glasgow College Group is the main conduit for gathering intelligence on partnership/stakeholder engagement.

As highlighted under Objective 3, above, the GCG Learning and Teaching Group also have the opportunity to provide input on the draft Regional Outcome Agreement, including proposed performance measures and targets. Although agreement from all three colleges in defining measures and targets is the preferable option, this is not strictly required in order to proceed. The GCRB Chair does have involvement in discussions around key performance indicators at the Glasgow Colleges Group but the GCRB Executive Director highlighted the potential role for a future enhanced advocacy role for GCRB Board Members in liaising with the Colleges. This is aligned with one of the key findings in the most recent Externally Facilitated Effectiveness Review, which highlighted the opportunity to exploit the expertise around the GCRB boardroom table.

Performance reports are considered by the Performance and Resources Committee and then the GCRB Board regarding the key performance measures which are drawn from the Regional Outcome Agreement and are bound by the regional framework. These reports are then shared with SFC and Scottish Government and quarterly updates on Full Economic Costing (FEC) are submitted to the SFC.



Stakeholder mapping / engagement

Objective 4 - GCRB has agreed a set of measures and targets to track progress and demonstrate impact of stakeholder engagement, and there are good arrangements with partners for managing and reporting on partnership outcomes and actions, which are evidence-based (shared contextual analysis and information) and are aligned with the identified needs of the Glasgow region area / communities / service users. (Continued)

Observation	Risk	Recommendation	Management Response	
<p>The Regional Outcome Agreement was previously very focused on output targets but there is now a recognition that an enhanced focus on capturing performance data on the outcomes of partnership activity is required. This will be of particular relevance to the impact of partnership activity on areas such as student satisfaction and student wellbeing moving forward.</p> <p>We are aware that work is ongoing to develop performance metrics as part of the new Regional Strategy and given the importance of stakeholders in delivering regional priorities it is vital that the impact of partnership working and stakeholder engagement is captured - not only within the strategic priorities for the Glasgow region but also in the associated suite of performance metrics and targets.</p>	<p>Without an adequate mechanism to capture the impact of stakeholder engagement and partnership working it is not possible to quantify the benefits which are accruing from the resources directed to this activity.</p>	<p>R1 – As an integral part of the work to develop the performance metrics and targets for the new Regional Strategy specific performance metrics and targets should be developed for stakeholder engagement and partnership working which will allow the impact of this activity to be measures and reported on. These performance measures and targets should be shared and agreed with key stakeholders.</p>	<p>The recommendation is accepted in full, and will be adopted as part of the Regional Strategy development work which is currently underway.</p> <p>To be actioned by: Executive Director</p> <p>No later than: 31 December 2022</p>	
			<p>Grade</p>	<p>3</p>



Stakeholder mapping / engagement

Objective 5 - GCRB understands the collective resources required to deliver regional priorities and works well with stakeholders to direct funding, assets and staffing in a sustainable framework.

The Glasgow Colleges Group and relevant sub groups provide the opportunity for GCRB to engage with all three Vice Principals who have responsibility for finance and also to engage with College HR leads around the people aspects of delivery.

Traditionally the allocation of revenue funding has been conducted in line with credits targets but there is a recognition that the development of the new Regional Strategy will provide an opportunity to engage the levers required to change this funding model in order to direct funding, assets and staffing in a sustainable framework. The new Regional Strategy is scheduled for completion by June 2022 and from July 2022 the onwards the focus will shift to the development of a Regional Curriculum Plan and to a specific review of Estates and Resources.



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