

Audit and Assurance Committee

Date of Meeting	Tuesday 26 May 2020
Paper Title	Certificates of Assurance 2019-2020
Agenda Item	12
Paper Number	AAC4-H
Responsible Officer	Martin Boyle, Executive Director
Recommended Status	Disclosable
Action	For noting

1. Report Purpose

- 1.1. To update the Committee on the process for completing the Certificates of Assurance for 2019-2020.

2. Recommendations

- 2.1. That the Committee **notes** the current position.

3. Report

- 3.1. The annual Certificate of Assurance request from Scottish Funding Council was received on 15 May 2020.
- 3.2. This assurance allows the SFC AO, in turn, to provide a certificate to the Principal Accountable Officer (Permanent Secretary) of the Scottish Government, providing the necessary assurance to support her in the signing of the governance statement which forms part of the Scottish Government consolidated accounts for the period 1 April 2019 to 31 March 2020.
- 3.3. In line with standard GCRB procedure, the Certificate of Assurance request was forwarded to the Glasgow colleges' principals on 16 May 2020 to complete Annex B of the return, with a requested return date of 27 May 2020.
- 3.4. Annex A of the Certificate Assurance will then be completed by GCRB Executive Director for submission on the due date of 29 May 2020.

4. Risk Analysis

- 4.1 There are no specific risks associated with this update.

5. Legal Implications

- 5.1. There are no specific legal implications.

6. Resource Implications

6.1. There are no specific resource implications.

7. Equalities Implications

7.1. There are no specific equalities implications.

8. Strategic Implications

8.1 There are no specific strategic implications

15 May 2020

To: Principals/Chief Executives/Directors of Regional Strategic Bodies
Copy to: Chairs and Secretaries of Regional Strategic Bodies

Dear Principal/Director

Certificate of Assurance

This letter sets out the duty placed on you as Chief Officer to provide an annual certificate of assurance (Annex A) to the Chief Executive/Accountable Officer (AO) of the Scottish Funding Council (SFC).

This assurance allows the SFC AO, in turn, to provide a certificate to the Principal Accountable Officer (Permanent Secretary) of the Scottish Government, providing the necessary assurance to support her in the signing of the governance statement which forms part of the Scottish Government consolidated accounts for the period 1 April 2019 to 31 March 2020.

The reporting requirements are set out in the Scottish Public Finance Manual (SPFM) and can be accessed through the following link, where it states that *Other organisations to which the SPFM is directly applicable – including separate accounting bodies sponsored by the SG – should arrange for appropriate assurance frameworks consistent with this guidance to be put in place.* <http://www.gov.scot/Topics/Government/Finance/spfm/assurancecerts>

In addition to reviewing the arrangements for your own institution (excluding UHI), in order to complete this process, it is necessary for you in turn to receive a Certificate of Assurance from the Chief Executive Officer of each assigned incorporated college (Annex B). I should be grateful if you would send a copy of this letter to the Chief Executive Officer at each assigned incorporated college and ensure its completion prior to your completion and signing of Annex A.

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In establishing this procedure, every effort has been made to build upon the assurance work which you and your assigned incorporated college(s) already undertake. I understand that the work being carried out by internal and external audit for the July year-end will not conclude for some time. I expect, however, that reliance will be placed on a variety of sources such as:

- Minutes from board committees dealing with Audit, Risk, Finance, Planning and HR
- The 2018-19 audit opinion and any audit work carried out in the period from August 2019 to March 2020.
- Your own and your assigned incorporated college(s) chief executive officer's views of the operational effectiveness of the controls, processes and procedures in place within the assigned incorporated college(s)

To assist you on the last point I have attached, at Annex C, a schedule of assurances based on the SPFM internal control checklist.

Please ensure that any COVID-19 governance issues are specifically referred to in the box provided.

The completed certificate of assurance (Annex A) must be with the AO of the SFC by 29 May 2020 to enable the AO to make the sector return to the Scottish Government by 5 June 2020.

Please email your completed certificate of assurance to isg-returns@sfc.ac.uk.

If you have any questions regarding the content of this letter please contact Lorna MacDonald, Director of Finance at lornamacdonald@sfc.ac.uk in the first instance.

Yours sincerely



Karen Watt
Chief Executive

**Certificate of Assurance
to the Accountable Officer of
The Scottish Funding Council
April 2019 – March 2020**

I am aware that as Accountable Officer you are required to provide assurance to the Principal Accountable Officer of the Scottish Government to enable her to sign a governance statement as part of the Scottish Government consolidated accounts for 2019-20.

To assist in that process, I can confirm that I have undertaken a review of the internal control arrangements in my own institution* and the assigned incorporated college(s) and obtained required assurances.

Based on that review, and my own knowledge of the internal control matters in my own institution* and the assigned incorporated college(s):

I can confirm that these controls have been, and are, working well. There are in my opinion no significant matters arising in my own institution* or the assigned incorporated college(s) which would require to be raised specifically in the governance statement.

Or

I would draw your attention to the following matter(s) which should be considered in the preparation of the governance statement.

PLEASE COMPLETE

Apart from the above, I can confirm that controls in my own institution* and the assigned incorporated college(s) have been and are working well. There are, in my opinion, no other significant matters arising which would require to be raised specifically in the governance statement.

Name:

Job Title:

Date:

*not applicable to the University of the Highlands and Islands

**Certificate of Assurance
to the Chief Officer
April 2019 – March 2020**

I am aware that as Chief Officer you are required to provide assurance to the Accountable Officer of the Scottish Further and Higher Education Funding Council to enable her to provide assurance to the Principal Accountable Officer of the Scottish Government to sign a governance statement as part of the Scottish Government consolidated accounts for 2019-20.

To assist in that process, I can confirm that I have undertaken a review of the internal control arrangements in my college and obtained required assurances.

Based on that review, and my own knowledge of the internal control matters in my college:

I can confirm that these controls have been, and are, working well. There are in my opinion no significant matters arising in the college which would require to be raised specifically in the governance statement.

Or

I would draw your attention to the following matter(s) which should be considered in the preparation of the governance statement.

PLEASE COMPLETE

Apart from the above, I can confirm that controls in the college have been and are working well. There are, in my opinion, no other significant matters arising which would require to be raised specifically in the governance statement.

Name:

Job Title:

Date:

**Certificate of Assurance
to the Chief Officer**

Schedule of Required Assurances

1. Ensure that appropriate financial systems are in place and applied and that procedures and controls are reviewed from time to time to ensure their continuing relevance and reliability, especially at times of major change.
2. Ensure that proper financial procedures are followed and that accounting records are maintained in the form prescribed for published accounts:
 - ensure that the public funds for which you are responsible are properly managed and safeguarded;
 - ensure that assets for which you are responsible such as land, buildings or other property, including stores and equipment, are controlled and safeguarded;
 - ensure that the financial implications of any new policies have been considered;
 - ensure that delegation of responsibility is accompanied by clear lines of control and accountability together with reporting arrangements.
3. Ensure that procurement activity is conducted in accordance with the applicable public sector procurement requirements.
4. Ensure that effective management systems appropriate for the achievement of the body's objectives, including financial monitoring and control systems, have been put in place.
5. Ensure all risks relating to delivering business objectives, regularity, propriety or value for money are identified. In doing this, you have ensured that their significance was assessed and that systems appropriate to the risks are in place in all relevant areas to manage them.
6. Ensure that arrangements have been made to secure Best Value as set out in the Scottish Public Finance Manual.
7. Ensure that managers at all levels have a clear view of their objectives, and the means to assess and measure outputs, outcomes and performance in relation to those objectives.
8. Ensure that all managers are assigned well defined responsibilities for making the best use of resources.

9. Ensure that all managers have the information (particularly about costs), training and access to the expert advice which they need to exercise their responsibilities effectively.
10. Ensure that the body achieves high standards of regularity and propriety in the consumption of resources. Regularity involves compliance with relevant legislation, relevant guidance issued by the Scottish Ministers – in particular the Scottish Public Finance Manual where it applies to your organisation – and the Financial Memorandum document defining the key roles and responsibilities which underpin the relationship between your organisation and the Scottish Funding Council. Propriety involves respecting the Parliament's intentions and conventions and adhering to values and behaviours appropriate to the public sector.
11. Ensure that you have a well communicated fraud policy, an up-to-date fraud response plan and effective avenues for reporting suspicions of fraud.
12. Ensure that there are processes in place around compliance with an IT security policy and for dealing with potential breaches.
13. Ensure that appropriate consideration has been given to business continuity planning and disaster recovery for key activities.
14. Ensure that you have an up-to-date publication scheme, that it is sufficiently open and proactive in publishing information of interest to your stakeholders.
15. Ensure that you have a people/HR strategy in place and that you measure levels of employee engagement (e.g. through a staff survey) and take action in response as required.