

## Audit and Assurance Committee Meeting

Date of Meeting	Thursday 20 October 2022
Paper Title	Internal Audit Report – Follow-up Report
Agenda Item	8
Paper Number	AAC1-D
Responsible Officer	Jim Godfrey, Finance & Resources Director
Status	Disclosable
Action	For Noting and Comment

### 1. Executive Summary

1.1. The internal audit report on the follow-up of previous recommendations has been prepared by Henderson Loggie and is provided to the committee for consideration.

### 2. Recommendations

2.1. The committee is invited to:

- **consider** the internal audit report on the follow-up of previous recommendations and **comment** as appropriate.
- **note** that a number of recommendations relate to GCRB's strategic plans and have revised implementation dates, that are imminent.

### **3. Report**

**3.1.** The Internal Auditor has undertaken a review of the previous recommendations and provided a follow-up report. This activity is consistent with the scope of work approved by this committee at its meeting on 15 March 2022. 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 2021-22 is based upon a requirement of 18 days per annum. This report was scheduled to utilise 1 day of the 2021-22 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 Colleges Regional Board

## Follow Up Reviews 2021/22

Internal Audit report No: 2022/04

Draft issued: 4 October 2022

Final issued: 6 October 2022



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# Management Summary

## Introduction and Background

As part of the Internal Audit programme for the Glasgow Colleges Regional Board ('the Board') for 2021/22, we have carried out a follow-up review of the recommendations made in the Internal Audit reports issued during 2020/21. These were:

- Internal Audit Report 2021/02 – Follow Up Reviews 2020/21
- Internal Audit Report 2021/04 – Strategic Planning
- Internal Audit Report 2021/05 – Stakeholder Mapping / Engagement

There were no recommendations in reports 2021/01 – Annual Report, or 2021/03 – Summary Report on the Internal Audit Annual Reports for the Glasgow Region Assigned Colleges for 2020/21, and as such no follow up has been undertaken for these reports.

## Objectives of the Audit

The objective of each of our follow-up reviews is 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 or sample testing, 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

Overall, the Board has made some progress in implementing actions that are past their completion date. Two recommendations (22%) have been assessed as fully implemented. A further seven recommendations (78%) have been assessed as partially implemented and will be followed up again as part of the internal audit plan for 2022/23. No recommendations have been assessed as Little or no Progress Made.



## Overall Conclusion

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
2021/22 – Follow Up 2020/21	1	-	-	-	-	-	-
	2	1	-	1	-	-	-
	3	5	2	1	-	-	2
<b>Total</b>		<b>6</b>	<b>2</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>2</b>
2021/04 – Strategic Planning	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	4	-	4	-	-	-
<b>Total</b>		<b>4</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>
2021/05 – Stakeholder Mapping / Engagement	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	1	-	1	-	-	-
<b>Total</b>		<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Totals</b>		<b>11</b>	<b>2</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>2</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 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 2021/02 - Follow Up Reviews 2020/21

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress Previously Reported	Progress at September 2022
<b>Report No. 2020/03 – Shared Services</b>						
<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>	<b>2</b>	<p>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.</p>	<p>Step 1 – Executive Director</p> <p>Step 2 – GCRB Chair</p>	30 June 2021	<p><b>August 2021:</b> 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>Partially Implemented</b></p> <p><b>Revised completion date:</b> 17 December 2021</p>	<p>GCRB board of April 2022 recommended a renewed examination of cross-colleges savings opportunities for discussion and consideration, while system-wide opportunities for savings and efficiencies will be included in the GCRB/SFC scope for an externally-delivered options appraisal which is taking place in September 2022.</p> <p>Given this, it is recommended that this recommendation be tagged to the implementation and delivery of the Glasgow review, and therefore will require a longer timeframe for implementation, initially to the end of 2023 although potentially into 2024 although progress.</p> <p><b>Partially Implemented</b></p> <p><b>Revised completion date:</b> 31 December 2023</p>



## Follow Up Review 2021/22

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress Previously Reported	Progress at September 2022
<b>Report No. 2020/04 – Collaborative Training</b>						
R1 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.	3	Agreed. We will address this via a review of the Regional Lead roles and responsibilities.	Executive Director	28 February 2021	<p><b>September 2021:</b> 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><i>Little or No Progress Made</i></p> <p><b>Revised completion date:</b> 17 December 2021</p>	<p>Some progress has been made via the OD leads for each college and the GCG Sustainable Institutions Group.</p> <p>However, the collaboration is not quite at the same level as when the work was progressed by a Regional Lead.</p> <p>Therefore, while some progress has been made, the initial recommendation has not been completed and has now been overtaken by events.</p> <p><b>Considered but not Implemented</b></p>





## Follow Up Review 2021/22

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress Previously Reported	Progress at September 2022
<b>Report No. 2020/04 – Collaborative Training</b>						
<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>	<b>3</b>	<p>Agreed. This recommendation will be progressed by the Regional Lead for OD (under the guidance of the GCRB Executive Director).</p>	GCRB Executive Director	31 July 2021	<p><b>September 2021:</b> 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><i>Little or No Progress Made</i></b></p> <p><b>Revised completion date:</b> 17 December 2021</p>	<p>Some progress has been made via the OD leads for each college and the GCG Sustainable Institutions Group.</p> <p>However, the collaboration is not quite at the same level as when the work was progressed by a Regional Lead.</p> <p>Therefore, while some progress has been made, the initial recommendation has not been completed and has now been overtaken by events.</p> <p><b><i>Considered but not Implemented</i></b></p>



## Follow Up Review 2021/22

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress Previously Reported	Progress at September 2022
<b>Report No. 2020/05 – Risk Management</b>						
<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>	<b>3</b>	<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>	<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><b>September 2021:</b> 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>Partially Implemented</b></p> <p><b>Revised completion date:</b> 24 January 2022</p>	<p>The amendment to the Risk Management Policy and Procedure was approved by the GCRB Audit and Assurance Committee (and the Board) in January 2022.</p> <p><b>Fully Implemented</b></p>



## Follow Up Review 2021/22

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress Previously Reported	Progress at September 2022
<b>Report No. 2020/05 – Risk Management</b>						
<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>	<b>3</b>	<p>Agreed. The covering paper will be amended to incorporate this recommendation.</p>	<p>Executive Director</p>	<p>25 January 2021</p>	<p><b>September 2021:</b> 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>Partially Implemented</b></p> <p><b>Revised completion date:</b> 29 November 2021</p>	<p>The format of the risk register was revised in 2021 to incorporate this recommendation. The Board will consider the revised register at its next meeting in October 2022.</p> <p><b>Fully Implemented</b></p>



## Follow Up Review 2021/22

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress Previously Reported	Progress at September 2022
<b>Report No. 2020/05 – Risk Management</b>						
<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>	<b>3</b>	<p>Agreed. The recommendation will be implemented following the adaptation by the Board of the Strategic Plan.</p>	<p>Executive Director</p>	<p>30 June 2021</p>	<p><b>September 2021:</b> 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><i>Partially Implemented</i></p> <p><b>Revised completion date:</b> 31 July 2022</p>	<p>The development of the Strategic Plan has been delayed as a consequence so too has the evaluation of associated risks.</p> <p>It is expected that the Strategic Plan will be developed at the end of 2022. The review of the risk appetite is expected to take place in conjunction with this.</p> <p><i>Partially Implemented</i></p> <p><b>Revised completion date:</b> 31 December 2022</p>



## Appendix II - Updated Action Plan

### Internal Audit Report 2021/04 – Strategic Planning

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at September 2022
<b>R1</b> A Project Plan should be developed, in collaboration with key stakeholders, which sets out clearly the expected input from each of these stakeholders at key milestones in the development of the new Regional Strategy.	<b>3</b>	It is agreed that a Project Plan be developed, and that this will map collaboration with key stakeholders, setting out clearly input and milestones in the development of the new Regional Strategy.	Executive Director	1 May 2022	Project plan is under development and will be developed in 2022.  <b><i>Partially Implemented</i></b>  <b>Revised completion date:</b> 31 December 2022
<b>R2</b> The production of a detailed timeline, which sets out the points at which information will be shared with College Boards and the timeline for responding, in order to meet agreed milestones, should be prioritised.	<b>3</b>	Existing timeline has been shared with board and colleges, and will be developed and expanded for further clarity and to ensure collaborative process through stages of development.	Executive Director	1 May 2022	Detailed timeline is under development and has been consulted on. It will be completed in 2022.  <b><i>Partially Implemented</i></b>  <b>Revised completion date:</b> 31 December 2022



## Follow Up Review 2021/22

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at September 2022
<p><b>R3</b> An evaluation of the existing Regional Strategy should be undertaken to identify:</p> <p>a) the elements of the existing strategy which will not be reflected in the new Regional Strategy;</p> <p>b) the elements of the existing strategy which will transition into the new Regional Strategy. Clear linkages should be made in the new Regional Strategy to make sure that stakeholders are clear on where these issues will be picked up in the new strategic priorities.</p>	<p><b>3</b></p>	<p>Evaluative activity relating to existing strategy will be undertaken through the process of development and closure, and will bring in elements of activity relating to Outcome Agreement and regional review where they provide further clarity and context.</p>	<p>Executive Director</p>	<p>1 July 2022</p>	<p>Elements a) and b) are both included in the schedule of work for the developing strategy document which is underway.</p> <p>Both elements are currently projected to be completed in 2022.</p> <p><b><i>Partially Implemented</i></b></p> <p><b>Revised completion date:</b> 31 December 2022</p>



## Follow Up Review 2021/22

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at September 2022
<p><b>R4</b> As an integral part of the new Regional Strategy the role of stakeholders in developing and agreeing the suite of performance metrics and targets, which will be used to monitor delivery of the Regional Strategy, should be defined in a way which clearly articulates the elements which are set nationally and the process for developing the elements which can be set locally.</p>	<p><b>3</b></p>	<p>Agreed, and will be used as a guiding principle in the development of this work, in conjunction with emerging Impact Assessment guidance nationally.</p>	<p>Executive Director</p>	<p>1 June 2022</p>	<p>Stakeholder engagement workshop currently planned to inform this activity.</p> <p>In addition, the Outcome Agreement work will progress with direct input from Glasgow Colleges Group Learning and Teaching, Principals' Group at GCRG governance functions. In addition, board members are being engaged individually and collectively in the development work.</p> <p>National guidelines will be adhered to while opportunities for greater local ambition are identified and included wherever possible.</p> <p>This work is on-going.</p> <p><b><i>Partially Implemented</i></b></p> <p><b>Revised completion date:</b> 31 December 2022</p>



## Appendix III - Updated Action Plan

### Internal Audit Report 2021/05 – Stakeholder mapping / engagement

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at September 2022
<p><b>R1</b> 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><b>3</b></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>Executive Director</p>	<p>31 December 2022</p>	<p>A stakeholder mapping exercise has been undertaken by the GCRB Executive team, with a board workshop completed in February 2022. Wider sectoral work in this area across Colleges Scotland and CDN in March is also likely to further inform the completion of this work.</p> <p>The stakeholder mapping is now completed and will be included in the refreshed GCRB strategy for publication in 2022. In addition, GCRB has contributed to the sector-wide Colleges Scotland stakeholder mapping exercise which has also concluded and will be presented alongside the Glasgow-specific work.</p> <p>Work is on-going in respect of the Strategic Plan and is due for completion at the end of 2022.</p> <p>This work is on-going.</p> <p><b><i>Partially Implemented</i></b></p> <p><b>Revised completion date:</b> 31 December 2022</p>





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