

Glasgow Colleges' Regional Board

Follow-Up Reviews

2018/19

Internal Audit Report No: 2019/05

Draft issued: 23 July 2019

Final issued: 29 July 2019



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1. Management Summary

Introduction and Background

As part of the Internal Audit programme at Glasgow Colleges Regional Board ('the Board') for 2018/19 we carried out a follow-up review of the recommendations made in Internal Audit reports issued during 2017/18 and reports from earlier years where previous follow-up identified recommendations outstanding. These were:

2018/02 – Externally Facilitated Effectiveness Review; and
2018/05 – Follow-Up Reviews.

Reports 2018/01, 2018/03, 2018/04 and 2018/06 did not contain any improvement actions and therefore no follow-up was required as part of this review.

Report 2018/05 included one outstanding action from 2016/17 that required to be followed up again this year.

Audit Scope and Objectives

The objective of our follow-up review is to assess whether recommendations made in internal audit reports from 2017/18, and from previous years, 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 we ascertained by enquiry or sample testing, as appropriate, whether they had been completed or we established what stage they had reached in terms of completion and whether the due date required 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 very good progress in implementing the recommendations followed-up as part of this review with all 11 of 11 recommendations being classified as 'fully implemented'.

Overall Conclusion (continued)

Area	From Original Reports		From Follow-Up Work Performed		
	Rec'n Grades	Number Agreed	Fully Implemented	Partially Implemented	Little or No Progress Made
Externally Facilitated Effectiveness Review	N/A	10	10	-	-
Total		10	10	-	-
Follow-Up Reviews: Compliance with SFC Financial Memorandum	1	-	-	-	-
	2	1	1	-	-
	3	-	-	-	-
Total		1	1	-	-
Overall Total		11	11	-	-

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

Priority 1	Issues which require the consideration of the Board or one of its committees.
Priority 2	Significant matters that the Executive Director can resolve.
Priority 3	Less significant matters, which do not require urgent attention, but which should be followed up within a reasonable timescale.

Acknowledgments

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



Appendix I - Updated Action Plan: Internal Audit Report 2018/02 – Externally Facilitated Effectiveness Review

Recommendation	Priority	Original Management Comments	To Be Actioned By	No Later Than	Progress at July 2019
R1 There is a need to revisit the roles and responsibilities of the Board in order to establish a shared understanding of where GCRB Board responsibilities stop and where assigned College responsibilities start.	N/A	Agreed. This recommendation will be incorporated into the Board's Development Plan and progress will be monitored by the Nominations and Remuneration Committee.	Board Secretary	31 August 2018 and then ongoing (to coincide with Strategy & Development event).	Recommendation incorporated into action B.1 in 2018/19 Development Plan. GCRB Scheme of Delegation updated in October 2018. Fully Implemented
R2 Alternative routes should be explored to engage Student Board Members in regional working to ensure that the student body has an effective route to inform and influence decision making around maintaining the quality of learning and teaching and future curriculum developments.	N/A	Agreed. This recommendation will be incorporated into the Board's Development Plan and progress will be monitored by the Nominations and Remuneration Committee.	Board Secretary	30 June 2018	Recommendation incorporated into action E.1 in 2018/19 Development Plan. Fully Implemented

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Recommendation	Priority	Original Management Comments	To Be Actioned By	No Later Than	Progress at July 2019
R3 Further work should be carried out to develop explicit linkages between the GCRB performance management framework and the GCRB risk register.	N/A	Agreed. This recommendation will be incorporated into the Board's Development Plan and progress will be monitored by the Nominations and Remuneration Committee.	Board Secretary	31 August 2018 and then ongoing (to coincide with Strategy & Development event).	Recommendation incorporated into action D.1 in 2018/19 Development Plan. Fully Implemented
R4 Consideration should be given to introducing a mechanism to monitor the volume and technical complexity of papers for the Board and Board Sub-Committee meetings in order to flex the timing of issue of papers accordingly.	N/A	Agreed. This recommendation will be incorporated into the Board's Development Plan and progress will be monitored by the Nominations and Remuneration Committee.	Board Secretary	30 September 2018 and then ongoing	Recommendation incorporated into action D.3 in 2018/19 Development Plan. Fully Implemented
R5 If the timing of national CDN training for new Board Members is out of synch with appointment dates then internal induction training should be delivered as an integral part of the Board recruitment process to ensure that new Board Members receive training at the earliest opportunity.	N/A	Agreed. This recommendation will be incorporated into the Board's Development Plan and progress will be monitored by the Nominations and Remuneration Committee.	Board Secretary	30 June 2018 and then ongoing (monitoring to commence post March 2018 and then report six months later).	Recommendation incorporated into action A.1 in 2018/19 Development Plan. Fully Implemented

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Recommendation	Priority	Original Management Comments	To Be Actioned By	No Later Than	Progress at July 2019
R6 Targeted induction training should be provided for all new Board Members to prepare them for their specific role on Board Sub-Committees, as well as their role on the Board.	N/A	Agreed. This recommendation will be incorporated into the Board's Development Plan and progress will be monitored by the Nominations and Remuneration Committee.	Board Secretary	30 June 2018 and then ongoing	Recommendation incorporated into action A.2 in 2018/19 Development Plan. Fully Implemented
R7 Transition arrangements should be put in place to ensure that there is effective knowledge transfer between long-standing, departing Board Members and those who will remain on the Board.	N/A	Agreed. This recommendation will be incorporated into the Board's Development Plan and progress will be monitored by the Nominations and Remuneration Committee.	Board Secretary	30 June 2018	Recommendation incorporated into action D.4 in 2018/19 Development Plan. Fully Implemented
R8 A paper should be prepared which clearly sets out the criteria which should be applied in deciding whether an agenda item should be classified as non-disclosable. This paper should be submitted for Board discussion and approval to demonstrate collective ownership and to acknowledge the conscious intent to disclose unless there is a good reason not to disclose.	N/A	Agreed. This recommendation will be incorporated into the Board's Development Plan and progress will be monitored by the Nominations and Remuneration Committee.	Board Secretary	26 March 2018 (to coincide with GCRB Board meeting).	Paper presented at March 2018 Board meeting. Fully Implemented

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Recommendation	Priority	Original Management Comments	To Be Actioned By	No Later Than	Progress at July 2019
R9 A standing agenda item should be added to the foot of all Board and Board Sub-Committee agendas which will prompt the Chair to revisit the categorisation of papers as non-disclosable in light of the discussions during the meeting.	N/A	Agreed. This recommendation will be incorporated into the Board's Development Plan and progress will be monitored by the Nominations and Remuneration Committee.	Board Secretary	26 March 2018 (to coincide with GCRB Board meeting).	Disclosure status included as a standing agenda on Board agendas since March 2018 and is now being implemented for all other committees. Fully Implemented
R10 A future programme of collaborative events should be developed to provide GCRB Board Members with the opportunity to meet with assigned College Board Members and Regional Leads to discuss the issues facing the Glasgow Region.	N/A	Agreed. This recommendation will be incorporated into the Board's Development Plan and progress will be monitored by the Nominations and Remuneration Committee.	Board Secretary	30 June 2018 and then ongoing	Recommendation incorporated into action H.1 in 2018/19 Development Plan. Fully Implemented

Appendix II - Updated Action Plan: Internal Audit Report 2018/05 – Follow-Up Reviews: Compliance with the SFC Financial Memorandum

Recommendation	Priority	Original Management Comments	To Be Actioned By	No Later Than	Progress Previously Reported	Progress at July 2019
<p>R7 Insert into the assigned colleges' Certificate of Assurance to GCRB that they confirm that they have complied with:</p> <ol style="list-style-type: none"> 1) the requirements of the SPFM (except where any special actions or derogations have been agreed with the Scottish Ministers). (para 3); 2) the SPFM requirement for them to notify SFC (via the GCRB) of any item in the SPFM that requires prior approval from the Scottish Government. (para 7); 3) the requirement for overdrafts not to be used as a means of increasing borrowing (para 13); 4) the requirement to seek SFC's prior written consent (via GCRB) before they lend any funds or give a guarantee, indemnity or letter of comfort (para 14); 	2	Assigned Colleges' Certificate of Assurance to be updated for future returns.	Interim Director of Finance & Resources	31 July 2017	<p>At September 2017 These actions were appended to the Grant Letter provided to the assigned colleges in respect of the 2017/18 grant. The Certificate of Assurance (in respect of the year ending 31 March 2018) will also incorporate these statements. Partially Implemented Revised completion date: 30 April 2018</p> <p>At September 2018 We reviewed the Certificate of Assurance and noted these were not included. The Finance & Resources Director advised this was an oversight in respect of the Certificate of Assurance for the year ending 31 March 2018 but that these actions will be appended to the Grant Letter for 2018/19. Partially Implemented Revised completion date: 30 April 2019</p>	<p>These actions were included in the Certificate of Assurance issued to the assigned colleges in April 2019 in respect of the year ended 31 March 2019.</p> <p>Fully Implemented</p>

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Recommendation	Priority	Original Management Comments	To Be Actioned By	No Later Than	Progress Previously Reported	Progress at July 2019
<p><i>(continued)</i></p> <p>5) the Financial Memorandum’s requirements relating to contingent liabilities (paras 15 and 16);</p> <p>6) the requirement to obtain SFC’s prior written approval (via GCRB) before entering into any undertaking to incur any expenditure that falls outwith delegations set out in Appendix A of the Financial Memorandum (para 17);</p> <p>7) the requirement to obtain SFC approval (via GCRB) before incurring expenditure for any purpose that is, or might be considered, novel, contentious or repercussive or which has or could have significant future cost implications (paras 18 and 19);</p> <p>8) the requirement to disclose information about frauds to GCRB (para 20);</p>						

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Recommendation	Priority	Original Management Comments	To Be Actioned By	No Later Than	Progress Previously Reported	Progress at July 2019
<i>(continued)</i>						
9) the requirement to establish appropriate documented internal delegated authority arrangements consistent with the Delegated Authority section of the SPFM and the Financial Memorandum (para 21); 10) the requirement that any severance scheme is approved by SFC (via GCRB) (para 27); 11) the requirement to not make any investments of a speculative nature without the prior written approval of SFC (via GCRB) (para 34); and 12) the requirement for any contract without competition (non-competitive action) to have been approved in advance by SFC (via GCRB) for any amounts over £25,000 (para 36).						

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