

Audit Committee Meeting

Date of Meeting	Tuesday 3 October 2017
Paper Title	Internal Audit Follow-Up Reviews 2016-17
Agenda Item	9
Paper Number	AC1-E
Responsible Officer	Jim Godfrey, Interim Finance & Resources Director
Status	Disclosable
Action	For discussion

1. Report Purpose

- 1.1. Consider GCRB management progress made to complete actions made in response to recommendations made within GCRB Internal Audit work undertaken during 2015-16 and 2016-17.

2. Recommendations

- 2.1. The Committee is invited to **note** that good progress has been made implementing the recommend

3. Background

- 3.1. In 2015/16, the following areas for GCRB internal audit were identified:

- ROA development/monitoring of progress against ROA
- GCRB risk management/oversight of assigned colleges risk management
- Financial performance monitoring (GCRB and assigned colleges)

- 3.2. In 2016/17, the following areas for GCRB internal audit were identified:

- Compliance with SFC Financial Memorandum
- GCRB risk management/oversight of assigned colleges risk management
- Receipt of funds and funding allocation
- Follow-Up Reviews

- 3.3. For each of the completed internal audit reports, recommendations were made to address the areas of weakness, including action owners and planned completion dates.

- 3.4. The Annex to this report contains the internal audit follow-up report outlining progress made against the original recommendations.

4. Risk Analysis

- 4.1. The report provides evidence that GCRB is responding to areas of weakness identified through internal audit and taking action to improve internal controls.

5. Legal Implications

5.1. There are no specific legal implications.

6. Resource Implications

6.1. The provision of internal audit is a necessary component of an organisation's overall governance arrangement with regard to both financial and other matters.

6.2. There is no additional expenditure as a result of the internal audit recommendations identified. However, there are significant resource implications, in terms of the time required to implement the actions.

7. Strategic Plan Implications

7.1. Through the Regional Outcome Agreement and associated requirements, GCRB has to have effective governance arrangements, of which internal audit is part.



Glasgow Colleges' Regional Board

**Follow-Up Reviews
2016/17**

Internal Audit Report No: 2017/04

**Draft Issued: 22 September 2017
Final Issued: 26 September 2017**

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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 2016/17 we carried out a follow-up review of the recommendations made in reports issued during 2016/17 and reports from earlier years.

Objectives of the Audit

The objective of each of our follow-up reviews was to establish the status of implementation of recommendations made in previous internal audit reports.

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 good progress in the implementation of previous internal audit recommendations, with 18 of the 27 recommendations, which were past their agreed completion date at the time of our follow-up review, being classified as 'fully implemented'. Of the remaining recommendations: seven were evaluated as 'partially implemented' and one showed 'little or no progress'.

One further recommendation has been 'considered but not implemented' as during the time since the original recommendation was raised the Scottish Funding Council (SFC) has confirmed that the Assigned Colleges are not required to provide the information set out in Appendix A of the Financial Memorandum. The Financial Memorandum is scheduled to be updated by SFC before the end of 2017 and this requirement will be formally removed.

The recommendation showing 'little or no progress' relates to Internal Audit Report 2016/03 - Financial Performance Monitoring (GCRB and Assigned Colleges) – which was issued in June 2016. The recommendation made was that the Performance & Resources Committee should agree the financial monitoring report/s they should receive in each of the four meetings in the annual cycle. Our review noted that arrangements for GCRB monitoring of the assigned colleges financial data are due to be considered by the Performance & Resources Committee at its meeting on 9 October 2017.

Of the remaining outstanding recommendations, we are satisfied that plans are in place to advance these.

Overall Conclusion (Continued)

Our findings from each of the follow-up reviews have been summarised as follows:

From Original Reports			From Follow-Up Work Performed			
Area	Recommendation Grades	Number Agreed	Fully Implemented	Partially Implemented	Little or No Progress Made	Considered but not Implemented
GCRB Risk Management / Oversight of Assigned College's Risk Management	1	-	-	-	-	-
	2	1	1	-	-	-
	3	6	6	-	-	-
Total		7	7	-	-	-
Financial Performance Monitoring (GCRB and Assigned Colleges)	1	-	-	-	-	-
	2	1	1	-	-	-
	3	3	2	-	1	-
Total		4	3	-	1	-
Regional Outcome Agreement (ROA) Development / Monitoring of Progress Against ROA	1	-	-	-	-	-
	2	-	-	-	-	-
	3	1	-	1	-	-
Total		1	-	1	-	-
GCRB Risk Management / Oversight of Assigned College's Risk Management	1	-	-	-	-	-
	2	1	1	-	-	-
	3	3	1	2	-	-
Total		4	2	2	-	-
Compliance with SFC Financial Memorandum	1	-	-	-	-	-
	2	7	5	2	-	-
	3	4	1	2	-	1
Total		11	6	4	-	1
Grand Total		27	18	7	1	1

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

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.

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 2016/02 – GCRB Risk Management / Oversight of Assigned College's Risk Management

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at September 2017
R1 Review the Risk Management Policy and Procedure and update to reflect the agreed Risk Management responsibilities of the Board and Audit committee.	3	Agreed. Risk Management Policy and Procedure will be redrafted and presented for agreement at the next meeting of the GCRB Audit Committee.	GCRB Executive Director	August 2016	Responsibilities of the Board and Audit Committee are now included in the updated Risk Management Policy and Guidance, which was approved by the Audit Committee in October 2016. Fully Implemented
R2 Review the Risk Management Guidance for the points noted within this report and amend it as considered appropriate.	3	Agreed. Risk Management Guidance will be redrafted and presented for agreement at the next meeting of the GCRB Audit Committee.	GCRB Executive Director	August 2016	Points noted in the original report have now been included within the updated Risk Management Policy and Guidance, which was approved by the Audit Committee in October 2016. Fully Implemented

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at September 2017
R3 Put in place a formal risk escalation process and document this within the Risk Management Policy and Procedure and / or Risk Management Guidance.	3	Agreed. Risk Management Policy and Procedure and Guidance will be redrafted and presented for agreement at the next meeting of the GCRB Audit Committee.	GCRB Executive Director	August 2016	Risk escalation process is now included within the updated Risk Management Policy and Guidance, which was approved by the Audit Committee in October 2016. Fully Implemented
R4 Consider the implications of the risk scoring and ensure appropriate action is taken.	2	Agreed. A draft updated risk register will be presented for agreement at the next meeting of the GCRB Board.	GCRB Executive Director	August 2016	An updated risk tolerance framework was approved by the Board and Audit Committee in October 2016. Fully Implemented
R5 Remove the risk target and update the Risk Management Guidance to reflect this.	3	Agreed. A draft updated risk register will presented for agreement at the next meeting of the GCRB Board.	GCRB Executive Director	August 2016	Required changes have been reflected in the updated Risk Management Guidance and Risk Register, which was approved by the Audit Committee and Board in October 2016. Fully Implemented
R6 Ensure the Risk Management paper to the Board sets out for all risks that have changed the risk descriptions and reason/s for the change.	3	Agreed. A draft updated risk register will be presented for agreement at the next meeting of the GCRB Board.	GCRB Executive Director	August 2016	Changes to risk scoring and risk descriptions have now been reported to the Board since July 2016. Fully Implemented

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at September 2017
<p>R7 Consider whether the Risk Register should be amended for the items noted in this report.</p>	<p>3</p>	<p>Agreed. These items will be considered at the next meeting of the GCRB Board.</p>	<p>GCRB Executive Director</p>	<p>August 2016</p>	<p>Issues noted in the original report were considered by the Board in August 2016 and changes have since been reflected in the risk register.</p> <p>Fully Implemented</p>

Appendix II – Updated Action Plan

Internal Audit Report 2016/03 – Financial Performance Monitoring (GCRB and Assigned Colleges)

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at September 2017
R1 Amend section 13 'Budgetary Control Procedures for Running Costs' of the GCRB Financial Procedures Manual to reflect the current budgetary control processes in use.	3	Agreed. A draft updated Financial Procedures Manual will be presented for agreement at the next meeting of the GCRB Audit Committee.	Head of Finance, City of Glasgow College	August 2016	Financial Procedures have now been updated to reflect the recommendation and will be formally approved by the Performance and Resources Committee in October 2017. Partially Implemented Revised completion date: 31 October 2017

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at September 2017
R2 Include in the Scheme of Delegation that the GCRB Board Chair must sign off the Executive Director's expense claims. In addition, formally agree with CoGC what authorisation they must receive before processing GCRB payments.	2	Agreed. A draft updated Financial Procedures Manual will be presented for agreement at the next meeting of the GCRB Audit Committee.	Executive Director, GCRB	August 2016	Scheme of Delegation updated in September 2016. Financial Procedures have now been updated to reflect what authorisation CoGC must receive before processing GCRB payments and these will be formally approved by the Performance and Resources Committee in October 2017. Partially Implemented Revised completion date: 31 October 2017
R3 The P&RC should agree what financial monitoring report/s they should receive in each of their annual cycle of four meetings. The format (both headings within the narrative section of the report, and the layout of the financial information) should also be agreed.	3	Agreed. The colleges' Sustainable Institutions Group will draft financial monitoring report/s for consideration at the next meeting of the GCRB Performance and Resources Committee.	Chair of Colleges Sustainable Institutions Group	August 2016	Arrangements for monitoring by GCRB of college financial data are to be considered by the Performance and Resources Committee at its meeting on 9 October 2017. Little or No Progress Made Revised completion date: 31 October 2017

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at September 2017
<p>R4 Ensure that the same key assumptions are used by assigned colleges when preparing their FFR information. Key assumptions should be reported to the P&RC along with a high level explanation for why these assumptions were considered reasonable.</p>	<p>3</p>	<p>Agreed. The colleges' Sustainable Institutions Group will consider key assumptions and provide a report on these for consideration at the next meeting of the GCRB Performance and Resources Committee.</p>	<p>Chair of Colleges Sustainable Institutions Group</p>	<p>August 2016</p>	<p>For the 2017 FFRs, SFC provided common assumptions to be used nationally. These assumptions had been agreed following consultation with the Finance Network. In addition, the Assigned Colleges and GCRB agreed a common position on the interpretation of the SFC guidance. The 2017 FFRs will be reviewed by the GCRB Audit Committee on 3 October 2017.</p> <p><i>Fully Implemented</i></p>

Appendix III – Updated Action Plan

Internal Audit Report 2016/04 – Regional Outcome Agreement (ROA) Development / Monitoring of Progress Against ROA

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at September 2017
<p>R1 The Executive Director should obtain information from each assigned college's student records system and analyse this to gain assurance that assigned colleges' ROA progress information submitted is reasonable.</p>	3	<p>Agreed. The Colleges' Learning and Teaching group will liaise with college MIS managers to provide regular in-year data returns.</p>	<p>Chair of Colleges Learning and Teaching Group</p>	<p>November 2016</p>	<p>GCRB have appointed a Regional Student Data Lead within a regional collaborative management structure. The duties of this position include developing a regional data monitoring and reporting capacity which provides access to in-year FES data (due in October 2017).</p> <p><i>Partially Implemented</i></p> <p>Revised completion date: 31 December 2017</p>

Appendix IV – Updated Action Plan

Internal Audit Report 2017/02 - GCRB Risk Management / Oversight of Assigned College's Risk Management

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at September 2017
<p>R1 Ensure that in future there is more in-depth review of the GCRB risk register by the Board including review of the risk register, consideration of changes, and requesting updates. The minutes should also better reflect the discussion that was undertaken regarding the risk register and confirm that the risk register was reviewed and confirm any changes agreed.</p>	3	Agreed	Executive Director	The next Board Meeting on 22 May 2017	<p>The Board participated in a risk workshop in June 2017 where risks facing GCRB were discussed, agreed and incorporated into a new risk register and evaluated alongside the Risk Appetite.</p> <p>Changes were also made to the format of the register to reflect feedback and comments from Board members. We noted from a review of the GCRB minutes that the updated Risk Register, Policy and Procedures were presented to the Board on 4 September 2017.</p> <p>Fully Implemented</p>

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at September 2017
R2 Ensure that management undertake an annual review of the effectiveness of the system of internal control and provide a report on this to the Board.	3	Agreed	Interim Director of Finance & Resources	30 September 2017	<p>The annual review of the effectiveness of the system of internal control will be reviewed by the Audit Committee at its meeting on 3 October 2017. It will then go forward to the Board Meeting on 30 October 2017.</p> <p>Partially Implemented</p> <p>Revised completion date: 31 October 2017</p>
R3 Ensure that Annual Statement on the Effectiveness of the System of Internal Control in the GCRB Annual Report and Accounts is in line with the format that is set out in this internal audit report.	3	Agreed	Interim Director of Finance & Resources	31 October 2017	<p>The statement on the effectiveness of internal control has been updated in the draft GCRB Annual Report and Accounts for 2016/17. Final Accounts are expected to be issued in December 2017 following completion of the audit.</p> <p>Partially Implemented</p> <p>Revised completion date: 31 December 2017</p>

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at September 2017
<p>R4 Put in place a mechanism for reviewing assigned colleges' risk registers and escalating up any risks or issues to GCRB.</p>	<p>2</p>	<p>Agreed</p>	<p>Interim Director of Finance & Resources</p>	<p>31 July 2017</p>	<p>The Assigned Colleges now provide their risk registers to the Interim Finance & Resources Director. These registers are reviewed with the Executive Director and a report presented to the GCRB Audit Committee. The first such report will be considered on 3 October 2017.</p> <p><i>Partially Implemented</i></p> <p>Revised completion date: 31 October 2017</p>

Appendix V – Updated Action Plan

Internal Audit Report 2017/03 – Compliance with SFC Financial Memorandum

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at September 2017
<p>R1 Undertake a review of compliance with the Code of Good Governance for Scotland's Colleges and update the Audit Committee Terms of Reference to state that it will receive a report on GCRB compliance with the Code annually from the GCRB Secretary for its review.</p>	2	<p>Review of Code of Governance to be provided to the next meeting of the Audit Committee.</p> <p>Terms of Reference to be updated.</p>	Board Secretary	15 May 2017	<p>A review of Audit Committee minutes noted that a review of compliance with the Code of Good Governance was considered by the Audit Committee at its meeting on 15 May 2017. The review will now take place annually and has been added to the Audit Committee's long-term agenda.</p> <p>Fully Implemented</p>

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at September 2017
<p>R2 Create and insert within the Financial Procedure Manual the GCRB anti-bribery procedures and ensure that these meet the requirements of the Bribery Act 2010.</p>	2	Draft policy provided to the Audit Committee for consideration.	Interim Director of Finance & Resources	15 May 2017	<p>Anti-Bribery Policy approved by the Audit Committee on 15 May 2017. The policy was confirmed at the Board meeting on 22 May 2017.</p> <p>Fully Implemented</p>
<p>R3 Amend the Audit Committee Terms of Reference to state that:</p> <ol style="list-style-type: none"> 1) the Audit Committee will monitor the effectiveness of external audit and report the findings of this to the Board; 2) the members should be non-executives or independent (SPFM); and 3) the GCRB Audit Committee must inform the SFC Audit Committee if it considers that it has identified a significant problem which may have wider implications (for the FE sector or public sector) (SPFM). 	3	Terms of Reference to be amended.	Board Secretary	15 May 2017	<p>Audit Committee Terms of Reference were agreed by the Audit Committee at its meeting on 15 May 2017. The revised Terms of Reference were confirmed at the Board meeting on 3 September 2017.</p> <p>Fully Implemented</p>

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at September 2017
<p>R4 Each year obtain copies of the assigned colleges' Audit Committee annual reports (which are provided to the assigned colleges' Boards) and have the Director of Finance & Resources review these and report any exceptions noted to the Audit Committee.</p>	<p>2</p>	<p>Copies of assigned colleges' Audit Committee annual reports 2015/16 were reviewed during w/c 24 April by the Interim Director of Finance & Resources. Comments were provided to the Executive Director to enable the letter of assurance to be submitted to the Scottish Funding Council.</p>	<p>Interim Director of Finance & Resources</p>	<p>30 April 2017</p>	<p>Copies of the annual reports for 2015/16 were received and reviewed. This action has now been incorporated within the Audit Committee's long-term agenda and the 2016/17 reports will be considered at the meeting on 5 December 2017.</p> <p>Fully Implemented</p>

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at September 2017
<p>R5 Update the Financial Procedures Manual to state:</p> <ol style="list-style-type: none"> 1) that the GCRB Director of Finance & Resources must inform SFC when an internal auditor is appointed and must inform SFC immediately if the internal auditor is removed or departs before the end of their term of office (para 19); 2) that the internal audit Annual Reports for GCRB and the assigned colleges should be forwarded by the Director of Finance & Resources to the SFC (para 22); 3) that where the SPFM requires bodies to notify or request prior approval from the Scottish Government then GCRB must, in the first instance, contact SFC (Section 3, para 7); 4) that cash reserves in the GCRB bank account are to be kept at a minimum (Section 3, para 10); 5) the requirements of the Financial Memorandum regarding contingent liabilities (section 3 paras 15 and 16); 6) the Financial Memorandum's requirements regarding delegated financial limits (section 3 para 17); 7) the Financial Memorandum's requirements regarding novel, contentious or repercussive expenditure (section 3 para 18); 	2	<p>Some sections have already been drafted in revisions made to the Financial Procedures Manual by Henderson Loggie as part of this audit. The following sets out which sections have been updated:</p> <ol style="list-style-type: none"> 1) Section 11 2) Not yet revised 3) Section 01 4) Section 03 5) Section 10 6) Not yet revised 7) Section 14 8) Not yet revised 9) Not yet revised 10) Not yet revised <p>The remaining sections to be revised by the Interim Director of Finance & Resources.</p>	Interim Director of Finance & Resources	31 May 2017	<p>The Financial Procedures Manual has been updated to reflect the recommendation raised in the original report. The revised financial procedures will be considered by the Performance and Resources Committee on 9 October 2017.</p> <p><i>Partially Implemented</i></p> <p>Revised completion date: 31 October 2017</p>

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at September 2017
<p>R5 (continued)</p> <p>8) a) the need for annual reporting on expenditure over the set reporting levels in Appendix A of S14 of the Financial Procedures Manual (including who will do this and when) and the need to disclose the number of instances and total cost, by category of such expenditure; and b) the Director of Finance & Resources must obtain this information from the assigned colleges and report the GCRB and assigned colleges' figures to the GCRB Board or a GCRB Committee, and also to the SFC (section 3 para 22);</p> <p>9) that the Director of Finance will review assigned colleges' Resource Returns to ensure that there is adequate cash and resource cover in assigned colleges for any arms-length foundation transfers assigned colleges make (section 3 para 23); and</p> <p>10) that the Director of Finance & Resources must review assigned colleges' Resource Returns for impairments and significant movements in provisions and to discuss these with assigned colleges to gain an understanding of the reason for these. For any impairments and significant movements identified this way, or through assigned colleges informing GCRB directly of these, the Director of Finance & Resources must inform the SFC of these as soon as possible (section 3 para 30).</p>	<p>As Above</p>	<p>As Above</p>	<p>As Above</p>	<p>As above</p>	<p>As above</p>

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at September 2017
<p>R6 Include in the Director of Finance & Resources job description that they have overall responsibility for ensuring compliance with the Financial Procedures Manual.</p>	<p>2</p>	<p>The job description will be amended.</p>	<p>Executive Director</p>	<p>15 May 2017</p>	<p>Now included in the role profile/job description for the advertised post.</p> <p>Fully Implemented</p>

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at September 2017
<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); 5) the Financial Memorandum's requirements relating to contingent liabilities (paras 15 and 16); 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); 	2	Assigned Colleges' Certificate of Assurance to be updated for future returns.	Interim Director of Finance & Resources	31 July 2017	<p>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.</p> <p><i>Partially Implemented</i></p> <p>Revised completion date: 30 April 2018</p>

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at September 2017
<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> <p>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);</p> <p>10) the requirement that any severance scheme is approved by SFC (via GCRB) (para 27);</p> <p>11) the requirement to not make any investments of a speculative nature without the prior written approval of SFC (via GCRB) (para 34); and</p> <p>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).</p>	2	As Above	As above	As above	As above

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at September 2017
<p>R8 The Director of Finance & Resources should obtain assigned colleges' anti-fraud procedures and ensure the requirement to report to SFC (via GCRB) 'as and when they occur' any frauds that are detected is included in them.</p>	2	College procedures requested already and to be reviewed upon receipt.	Interim Director of Finance & Resources	31 May 2017	<p>The Assigned Colleges have now supplied copies of their procedures which have been reviewed by the Interim Finance & Resources Director.</p> <p>Fully Implemented</p>
<p>R9 Assigned colleges should report the required Appendix A information and provide backup for the figures (such as system generated reports showing the parameters that were used in running the report) and detail what checks they have done to ensure that this information is complete and accurate.</p>	3	Information requested.	Interim Director of Finance & Resources	31 May 2017	<p>The SFC has confirmed that the Assigned Colleges do not need to provide the information set out in Appendix A of the Financial Memorandum. The Financial Memorandum is due to be updated by SFC by the end of 2017 and this requirement will be removed.</p> <p>Considered but not implemented</p>

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at September 2017
<p>R10 The Audit Committee or Audit Committee Chair or Board Secretary should consider whether GCRB complies with the Audit Committee Handbook and where it does not comply consideration should be given to whether GCRB should comply or not, given that there is a degree of flexibility for smaller entities allowed.</p>	3	Review to be undertaken on behalf of the Committee.	Board Secretary	31 July 2017	<p>The Committee will now incorporate the Audit Committee Handbook checklist in its annual review process.</p> <p>Partially Implemented</p> <p>Revised completion date: 31 October 2017</p>
<p>R11 Create a GCRB fraud policy statement which meets the requirements of the SPFM.</p>	3	A fraud policy statement will be prepared for consideration by the Audit Committee.	Interim Director of Finance & Resources	31 July 2017	<p>A draft policy statement will be considered by the Audit Committee on 3 October 2017.</p> <p>Partially Implemented</p> <p>Revised completion date: 31 October 2017</p>