Audit and Assurance Committee

Date of Meeting	Tuesday 28 May 2019
Paper Title	GCRB Compliance with Code of Good Governance
Agenda Item	13
Paper Number	AC5-K
Responsible Officer	Penny Davis, Board Secretary
Recommended Status	Disclosable
Action	For Review and Recommendation to Board

1. Report Purpose

1.1. The purpose of this report is to provide the Audit and Assurance Committee with a basis on which to advise the Board on GCRB's compliance with the Code of Good Governance (the Code) during the past year.

2. Recommendations

2.1. The Committee is invited to consider the report and agree any advice or recommendation to the Board in the context of reporting on compliance with the Code within the Corporate Governance Statement in the Annual Report. A draft statement is included for the Committee's approval and recommendation.

3. Background

3.1 The [1]Code requires that:

Each board must state its adoption of the Code in the corporate governance statement contained in its annual financial statement. The chair, on behalf of the board, is expected to report as to how the principles have been applied by the board. Where, for whatever reason, a board's practice is not consistent with any particular principle of the Code, it should make this known to SFC or, if it is an assigned college, the regional strategic body. This should be done immediately they become aware of an inconsistency and, without exception, in advance of publishing the information. An explanation for that inconsistency must be clearly stated in its corporate governance statement. Boards will be expected to offer a clear rationale for exceptions in the context of their college's operational model and to identify mitigations.

3.2 As part of its 2018-19 self-evaluation process, the Board undertook a review of its performance using a questionnaire that was based on principles in the Code of Good

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[1] The Code of Good Governance is due to be reviewed during 2019-20 to take account of Scottish Government decisions following its consultation on good governance.

Governance (and had been used the previous year by the External Assessor). The Board considered the results of the questionnaire at its meeting in March 2019 and the following takes account of outcomes from that process.

4. Detail

4.1 An independent, external review of governance was conducted at the start of 2018 and the Board received strong assurance from that report on its compliance with the Code along with some recommendations for further development.

4.2 Recommendations were incorporated into the 2018-19 Development Plan and the Board received a year-end report on progress at its March 2019 meeting, together with a report on its 2018-19 self-evaluation process and a Development Plan for 2019-20. All reports were submitted to the SFC and published on the GCRB website, as required by the Code.

4.3 No significant concerns relating to compliance with the Code emerged from the self-evaluation and development review/planning processes, nor from a subsequent review conducted by the Board Secretary.

4.4 The following is a summary of developments identified during the activities referred to under 4.2 above, to support the Committee in considering how principles in the Code have been applied over the course of the year (headings in bold refer to the Code, and bullet points outline developments relating to particular principles listed under those headings).

A – Leadership & Strategy

Vision and Strategy

- Having identified 'determining the vision' as a priority during its self-evaluation process, the Board has decided to focus on strengthening this aspect of its role as part of its August 2019 Strategy Day.

Corporate Social Responsibility

- GCRB hosted an event in February focused on strengthening awareness of and enhancing support for mental health needs across the Glasgow college region.

- In the interests of developing a diverse and representative Board and providing leadership in equality and diversity, the Board's Nominations & Remuneration Committee reviewed progress against the Board's Diversity Plan and agreed a new, broader approach to assessing the Board's skills, experience, knowledge and other attributes.

- The Board also hosted a diversity event in September 2018 attended by board members and senior college staff from across the region.

B – Quality of the Student Experience

Relevant & High Quality Learning

- GCRB is progressing in its work to develop relevant and high quality learning in partnership with SDS.

C – Accountability

Accountability and Delegation

- The Board reviewed its Scheme of Delegation in 2018 and approved changes that would bring greater alignment with the model scheme in place for the sector without compromising GCRB's functions as a funding body. Committee terms of reference were also reviewed to ensure an appropriate level of delegation.

- To strengthen transparency and ensure the disclosure of all but legitimately exempt information, a review of items for disclosure/non-disclosure was introduced as a standing item on the Board's agenda.

Risk Management

- A further risk workshop was held in February 2019 to provide an opportunity for open discussion of issues around risk and risk management.

- The Audit and Assurance Committee terms of reference were updated to reflect the SPFM Handbook's enhanced focus on an effective assurance framework.

D - Effectiveness

Board Chair

- The first review of the Chair's performance was conducted by the Senior Independent Member (the Chair having been appointed in January 2018) based on the requirements of the role as set out in the Code.

Board Members

- Staff elections took place in July 2018 and Staff Members were appointed/re-appointed in line with the relevant provisions.

- While it showed a good improvement from the previous year's score, the Board's evaluation questionnaire still identified 'collective responsibility' as an area for improvement, which will be taken forward in the context of Board development and training during 2019-20.

Principal and Chief Executive

- The Board fulfilled its role in relation to approving the appointment and terms and conditions of a new Principal of Glasgow Kelvin College.

Board Secretary

- The Board regularised the role of Board Secretary during 2019-20.

4.6 The following draft Statement of Compliance for inclusion in the Corporate Governance Statement is based on the template provided in the Accounts Direction. The words in italics are additional, to reflect that some principles apply only to college boards.

GCRB complies with all the principles of the 2016 Code of Good Governance for Scotland's Colleges, *except where these apply only to college boards*, and has complied throughout the year ended July 2019.

5.0 Risk Analysis

5.1. This report supports mitigation of *GCRB Risk 0012: There is a breach of legislation/guidance/code of practice and this results in a failure of governance.*

6.0 Legal Implications

6.1. There are no legal implications arising from this paper.

7.0 Resource Implications

7.1 There are no resource implications arising from this paper.

8.0 Equalities Implications

8.1 No equalities implications have been identified except where reference is made in the report to strengthening leadership in equality and diversity.

9.0 Strategic Implications

9.1 Robust and compliant governance arrangements are essential to the effective delivery of GCRB's strategic objectives and the confidence of stakeholders in the organisation.