

MC/SH/1617011

Wednesday, 28 September 2016

Mr Terry Shevlin
Clerk to the Public Audit Committee
Public Audit Committee
Room T 3.60
The Scottish Parliament
EDINBURGH
EH99 1SP

Dear Mr Shevlin,

Thank you for your letter dated 14th September, 2016, in which you asked the Glasgow Colleges' Regional Board (GCRB) to provide a brief response to the relevant parts of the Section 22 report on GCRB published by the Auditor General for Scotland in March 2016.

I can confirm to the Public Audit Committee that GCRB has now established all of the key systems of assurance and internal control necessary for proper management and oversight of a public body, as highlighted within in the Section 22 report on GCRB.

In particular, with reference to the items listed on page 5 of the Auditor General's report, I can confirm that GCRB has in place an appropriate risk management framework, an approved scheme of financial delegation, alongside standing orders and appropriate financial monitoring arrangements. In addition, key GCRB committees such as an Audit Committee and Performance and Resources Committee have met regularly since August 2015, and have reported effectively to the GCRB Board.

Henderson Loggie were appointed as GCRB's internal auditor in October 2015 and further assurance of the effective operation of GCRB is provided by the findings of their audits of corporate planning, risk management and finance.

With respect particularly to the development and effective implementation by GCRB of risk management and financial monitoring arrangements, the internal audit reports provided by Henderson Loggie state that GCRB has a robust risk management framework in place, with a detailed Risk Management Policy and Procedure and Risk Management Guidance which sets out responsibilities, risk tolerances and risk scoring definitions. In terms of effective implementation

of this risk management framework, the internal audit findings state that the risk register is regularly reviewed and reported to the GCRB Board and that Risk Mitigating Action Plans set out in detail risk mitigating action, and that there are formal arrangements for assurance from assigned college audit activity to be provided to the GCRB Audit Committee. With respect to audit of financial performance monitoring arrangements, the internal auditor confirmed that GCRB has in place a robust set of financial procedures and processes which enable it to effectively monitor GCRB expenditure and the financial performance of the assigned colleges.

In addition to these assurances, Committee members should note that following a period of further review of GCRB governance arrangements (including observation of the GCRB Board), the Scottish Funding Council has confirmed formally to GCRB that there are no further outstanding governance assurances required which now preclude it from being granted fully-operational fundable body status and currently, GCRB and Scottish Funding Council management are working on a detailed transition plan which sets out tasks and timeframes to allow fully-operational fundable body status to be implemented. We expect the handover process to be completed over the next 2-3 months with GCRB taking up its fully-operational status by January 2017 at the latest.

Since the GCRB external audit undertaken in November 2015, alongside the recruitment a number of new Board Members, a permanent Chair and Executive director have been appointed to GCRB and who are working with the GCRB Board and the three assigned colleges to ensure GCRB plays a full role in enhancing the economic and social well-being of the localities of its colleges. Examples of current GCRB activity include:

- ensuring delivery on the commitments made within a 5-year Glasgow region curriculum and estates plan, aligning the curriculum more closely to identified economic demands, allowing the closure of all poor quality accommodation, and increasing participation from residents of areas multiple deprivation;
- making significant progress in delivering a regionally coherent response to Developing the Young Workforce commitments, with a specific focus on promoting STEM vocational learning paths and including the delivery of a Glasgow regional Foundation Apprenticeship offer, providing Senior Phase pupils from both the Glasgow and Lanarkshire college regions opportunities to participate in all available Foundation Apprenticeship frameworks;
- development with the three assigned colleges of a Glasgow Region Strategic Plan for College Education setting out a five-year vision of the shared aspirations and development priorities of the Glasgow region colleges and regional board.

In summary, the Glasgow Colleges' Regional Board has developed considerably since the publication of the Section 22 report on GCRB and is now operating as an effective public body which adds value to, and makes a positive impact on, the delivery of inclusive and high quality college learning opportunities across the Glasgow region.

Should the Public Audit Committee require any further information on the effectiveness of GCBR, I would be happy to provide this.

Yours sincerely,

Margaret Cook
Chair