Item 09
For Approval

Glasgow Kelvin College

Audit and Risk Committee – 5 September 2023

Assurance Framework

Report by Vice Principal Operations

1 Introduction and Background

Following a report by College's external auditors in 2018, an Assurance Framework and an Assurance Map was prepared, which was endorsed by the Audit and Risk Committee in November 2018.

The Code of Good Governance at C.13 it states:

> *The Audit Committee must support the board and the principal by reviewing the comprehensiveness, reliability and integrity of assurances including the body's governance, risk management and internal control framework. The Scottish Government Audit and Assurance Committee Handbook promotes the development of an Assurance Framework to aid the Committee in fulfilling this role. See the link to this below.*
> https://www.gov.scot/publications/audit-assurance-committee-handbook/

The Framework was reviewed and revised and presented to the Audit and Risk Committee on 29 November 2022. It was agreed at this meeting that the Framework was: ***to be reviewed further by D Grenham, D Archibald and J Evans to add value prior to the Framework being brought to the September 2023 meeting of the Committee.***

A meeting was arranged on 10 August, including J Evans, D Archibald and D Grenham. Unfortunately, D Grenham was not able to make the meeting on the day, but this progressed with J Evans and D Archibald.

The Assurance Framework has now been revised in line with the discussions which took place during that meeting and this and the supporting Assurance Map at **Appendix 1** is presented to the Audit and Risk Committee for consideration and approval.

2 Assurance Framework

2.1 Purpose

An Assurance Map can provide a basis on which to communicate with stakeholders and begin quality conversations around the different types of assurance required and the source of this assurance. This is primarily because there are benefits for each of the groups that may make use of the Map in developing a collective understanding of the assurance required and the source and frequency of this assurance.

By developing and maintaining an Assurance Map which sets out a framework for identifying critical aspects of the control framework, we can begin to build a picture of the extent to which the body of available evidence aligns with the assurance required to meet all of the requirements placed on the organisation. This, in turn, allows the production of more reliable and robust reports to stakeholders about the organisation's state of internal control.

The production of an Assurance Map also ensures that the assurance-related work of the individuals operating within the three lines model can be planned and delivered in a way which avoids duplication of effort and potential mixed messaging.

An Assurance Map is a live document that should be continually reviewed and updated to ensure that it accurately reflects the current control environment and the sources of assurance on each aspect of the organisation's control environment. The Assurance Map should be reassessed and approved annually to identify whether there have been any material changes to the assurance framework coverage, assurance providers or assurance activities. The desired or required amounts of assurance may also change depending on the environment in which the College is operating within or the attitude of Audit and Risk Committee and Board to specific aspects of the control framework.

2.2 Approach

2.2.1 The **first stage** in developing the Assurance Map is to identify assurance providers against key areas of risk, linked to strategic business objectives. Assurance providers are aligned to their position within the **Three Lines Model**.

The first line of defence contains operational functions that directly own and manage services and their associated risks.

The organisation's first line of defence constitutes teams and managers in operational or service delivery functions and in support functions. Typically these are operational managers and staff who manage services and risks as part of their day-to-day work (e.g. admin staff, lecturers, line managers, etc). Managers and staff in the first line are responsible for the correct and consistent application of organisational policies and procedures.

The second line of defence comes from the oversight of management activity, separate from those responsible for delivery but not independent of the organisation's management chain.

These functions contain 'corporate' or 'central' functions that oversee, assure or specialise in risk management or related control and compliance activities. For example, the organisation's second line of defence will include the corporate governance and risk management team.

The second line of defence provides the: frameworks; policies; procedures; guidelines; tools; techniques; and other forms of support to enable first line operational managers and staff to manage risk well and therefore provide assurance. The second line also carries out: quality assurance; financial control; security; risk management; monitoring and inspection; reporting activities relating to compliance against national and local standards.

The third line of defence contains functions that provide independent and objective assurance regarding the integrity and effectiveness of risk management and related controls in the organisation.

Internal audit is the key function in an organisation's third line of defence. Reporting to the board via the audit committee, internal audit provides risk-based evaluation of the effectiveness of risk management, governance and internal control in the organisation.

The third line of defence interfaces with other external providers of independent and objective assurance, including external audit, regulators (such as OSCR), and the Scottish Funding Council.

Whatever the level of defence, it is important that every report to senior management and to the board/ governing body/ audit committee advises about the level and source of assurance.

It is also important to remember that assurances can be positive or negative. Positive, that risks are mitigated and objectives are being achieved. Negative, that controls are not in place or are not working and there is strong possibility that objectives will not be met.

Sources of assurance could include, but are not limited to:

- reviews or checks within a department (e.g. manager reviews information completed by staff under their particular area of responsibility)
- an organisation-wide review
- internal audit reports
- inspection and review by an external body (e.g. Skills Development Scotland).

2.2.2 The **second stage** is to map the College risks, systems/processes and assurances identified against the controls currently in place. An evaluation of the adequacy, in breadth and depth, of assurance coverage is then required, to ensure that there is sufficient evidence available to ascertain whether controls are effective, efficient and comprehensive. This is combined with an assessment of current assurances on the effectiveness of current controls in the mitigation of the organisation's risks to ensure that these are adequate, efficient, and comprehensive. Both of these assessments need to be in proportion to the risk exposures concerned, for example, by cross referencing to the assessments within existing risk registers.

The overall assessment seeks to provide a clear line between identified risks and the assurance the Board has in respect of each risk. For ease of reference, the risk rating (red, amber, green) is provided against each item. The Appendix provides definitions and seeks to describe how the detailed assurance mapping document works.

The main conclusion from the exercise is that there are sufficient levels of assurance available in respect of the key business risk areas, including substantial independent assurance in many cases. Nevertheless the College operates a culture of Continuous Improvement and will continue to strive to maximise controls and assurance across the organisation.

Stages 1 and 2 are combined in the Assurance Map presented at **Appendix 1**.

The Map itself does not seek to provide a complete register of every source of assurance available, further detail on sources of assurance is available from Board and Committee agendas and annual reports and the College managers responsible for functional areas.
Members are also reminded that they may seek assurance from any of the sources outlined in the 'Alternative Sources of Information' document, provided to all members routinely.

3 Resource Implications

There are no new resource implications associated with the contents of this report. No significant omissions from the range and levels of assurance available to the Board of Management and Principal have been identified. The current opportunity and direct cost associated with assurance is effectively built into existing staffing structures and budgets, any required increases in third line assurance will result in additional cost.

4 Impact on Students

There are no impacts on students as a consequence of this report.

5 Equalities

No disproportionate adverse impacts on individuals with protected characteristics have been identified as a consequence of this report.

6 Risk

The Assurance Framework seeks to provide further support to the College Risk Management Strategy. It provides another vehicle for considering the completeness of the Colleges governance, risk management and assurance processes and procedures.

No new risks have been identified and the further development of the Assurance Framework provides assurance that no material gaps in risk management or governance arrangements have been identified.

7 Data Protection

There are no data protection issues arising from this report.

8 Environmental and Sustainability

There are no environmental and sustainability implications arising as a consequence of this report.

9 Recommendations

Members are recommended to:

i) note the contents of this report and appendix;
ii) approve the revised Assurance Framework and Appendix 1; and
iii) note that moving forward the Assurance Map will be reviewed annually at the end of the Academic Year by the Audit and Risk Committee and by management and the Secretary to the Board of Management and reported to the Board of Management via the minute of the meeting of the Audit & Risk Committee

10 Further Information

Members can obtain further information on the contents of this report from Jeanette Evans, Vice Principal Operations jevans@glasgowkelvin.ac.uk.

JE
Glasgow Kelvin College
August 2023

GLASGOW KELVIN COLLEGE - Assurance Map September 2023

Appendix 1

Issue No	Issue	Issue Owner	Controls	**Operational Functions** **1st Line of Assurance** *Identifying risks and improvement actions. Implementing controls. Reporting on progress. Management Assurance.*	**Corporate Oversight** **2nd Line of Assurance** *Designing policies. Setting direction. Ensuring compliance. Assurance oversight.*	**Independent & Objective Assurance** **3rd Line of Assurance** *Independent challenge, audit. Reporting on assurance. Audit of assurance providers. Entity level assurance.* **IA = Internal Audit (5 Year Plan)**	Assurance Assessment	Assurance Sufficient	Action Points
1	**Business Planning**	**Vice Principal Operations & Vice Principal Learning & Quality**	College Strategy Supporting Strategies and Frameworks College Operating Plan Department Operational Plans SMT PDRs	Operational Plans reviewed and approved by Vice Principals Progress Reports prepared in Year.	Strategy - high level annual review TRCC SMT SMT/OMT/OMT Plus Board Meetings - 5 per Annum Executive Committee Meetings - as required GCG/College Principals Group	IA - Business Development 2019/20 IA - Performance Reporting & KPIs 2021/22 IA - Publicity & Communications 2022/23 IA - Corporate Planning 2023/24 Education Scotland/HMIE GCRB and SFC		**Yes**	
2	**Financial Management** (including Procurement & Student Funding)	**Vice Principal Operations**	Finance Strategy Financial Regulations Delegated authority Policies & Procedures Segregation of Duties Financial reporting Staff Training APUC Support	Financial planning Budget setting process Quarterly Forecasting Finance team compliance checks and reconciliations Monthly Management Accounts FFR Accountants Monthly Budget Holder Meetings Embedded Procurement - review of POs and Expenditure, weekly Meetings, staff training and support Continuous Improvement	Monthly Finance SMT Annual Report & Financial Statements Quarterly oversight by Finance & Resources Committee Audit & Risk Committee as appropriate Board Approval of Budgets and Annual report and accounts and Quarterly Finance Update Annual Expenditure Report - Procurement Annual Procurement Strategy Review/Update	IA - Procurement & Creditors/ Purchasing 2019/20 IA - Cash & Bank/Treasury Management IA - Budgetary Control & Financial Planning 2022/23 IA - Student Fees & Contracts/Registry 2023/24 IA - Bursary, Childcare & Hardship Funds - Annually Annual External audit GCRB & SFC Reporting		**Yes**	
3	**Quality Learning & Teaching & Student Outcomes**	**Vice Principal Learning & Quality**	Learning & Teaching & Assessment Strategy College Quality Enhancement Arrangements Regional Outcome Agreement Staff Qualifications & Training PDR Process	Curriculum Manager Course Review Senior Curriculum Manager Subject Area Review Support Service Quality Review Regular Monitoring College Performance Targets & KPIs Continuous Improvement	SMT Bi Weekly Quality Management Group Quarterly Academic Board Quarterly Oversight Learning & Teaching Committee Reporting to Board as appropriate	IA - Student Recruitment & Retention 2019/20 IA - Quality Assurance 2022/23 IA - Student Support Audit 2022/23 IA - Curriculum Planning 2023/24 IA - Credits Audit - Annually Education Scotland (HMIE) - Verification Visits & Inspections Skills Development Scotland Audits GCRB & SFC Reporting		**Yes**	

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4	**Risk Management & Business Continuity**	**Director of Estates & Corporate Services**	Risk Management Framework Business Continuity Plan Full embedded Risk Management System Staff Training & Awareness	Quarterly Review of Team and Strategic Risk Registers Project Risk Registers Reviewed Monthly Table Top BC Exercises Continuous Improvement	Risk Management Committee Incident Management Team Strategic Risk Register - Quarterly to SMT, RMC, Audit & Risk Committee; Twice a year to Board; once a year to F&R and L&T.	IA - Business Continuity 2019/20 IA - Risk Management 2023/24 GCRB		**Yes**	
5	**Estates & Project Works**	**Vice Principal Operations**	Estates & Sustainability Strategy Delegated Authority Public Procurement Staff Training Buildings Insurance	Budget Setting & Prioritising Operational Plan Annual Workplan Campus Walkrounds Helpdesk Monitors Contractor Management Continuous Improvement	SMT Estates & Sustainability Working Group Risk Management Committee Project Working Groups/External Project Manager as appropriate Quarterly oversight by Finance & Resources Committee Audit & Risk Committee as appropriate GCG/Regional Sustainability Group	IA - Estates Strategy/Capital Project 2021/22 IA - Asset/Fleet Management 2021/22 GCRB & SFC Reporting Scottish Government - Efficiency Grant		**Yes**	
6	**Human resources** (including Organisational Development, Wellbeing & Equality, Diversity & Inclusion)	**Director of People & Culture**	People & Culture Strategy Policies & Procedures Directors & Officers Insurance Staff Training	Monthly Finance Meetings Regular Review of Policies & Procedures Absence Monitoring Improved HR Systems Regular Reporting OHS Referrals Occupational Health Checks Expert Advice - Legal/Other PDR Process Continuous Improvement	SMT TRCC Equality Committee Monthly Union Meetings - EIS/FELA and Unison Quarterly JNCC Meetings Quarterly oversight by Finance & Resources Committee Audit & Risk Committee and Board as appropriate GCG/Regional Sustainability Group	IA - Sickness Absence 2020/21 IA - Payroll 2022/23 IA - Staff Development 2023/24 Public Sector Equality Duties (PSED) Report College Employers Scotland (CES) HMRC Pension Schemes		**Yes**	

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7	**Governance & Legislative Compliance** (including Health & Safety, FOI, GDPR, Safeguarding, etc)	**Principal, Director of Estates & Corporate Services & Health & Safety Manager**	Governance & Compliance Framework Policies & Procedures Directors & Officers Insurance Appropriate Training, eg Workrite	Monitoring and control of FOI, Complaints and GDPR issues Workrite Health & Safety Risk Management Safeguarding monitoring and Reporting. Continuous Improvement	Data Protection Privacy Network Safeguarding Group/Champions Health & Safety Committee Quarterly oversight by Finance & Resources Committee Audit & Risk Committee and Board as appropriate	IA - Corporate Governance 2020/21 IA - Data Protection 2021/22 IA - Health & Safety Audit 2022/23 Externally Facilitated Effectiveness Review (EFER) HEFESTIS Information Commissioners Office (FOI) Scottish Public Sector Ombudsman (Complaints) OSCR Reporting Reporting to Arms Length Foundation Standards Commission		**Yes**	
8	**Digital Services & Cyber Security**	**Director of Digital Services**	Policies & Procedures Procurement Admin Controls Technical Controls Digital Services Strategy Cyber Insurance Staff Qualifications & Training	Operational Planning Renewal of ICT Assets - hardware/software Regular Security Updates Daily Back-ups Penetration Testing Cyber Essential Scheme Continuous Improvement	SMT Oversight by Finance & Resources and Audit & Risk Committee as appropriate Annual Board update on Digital Strategy GCG/Regional Sustainability Group	IA - IT Network Arrangements 2020/21 IA - Cyber Security 2022/23 IA - Systems Development/Implementation 2023/24 CISO Network Scottish Government - Cyber Resilience Framework		**Yes**	
9	**Fraud**	**Vice Principal Operations & Finance Manager**	NFI Initiative Anti Bribery and Anti Fraud Policies Procurement controls Anti Bribery/Anti Corruption Training Cyber Security Training Other Training as required	Noted as Risk on Finance Team Risk Register - mitigating actions noted and monitored. Segregation of Duties Regular Reconciliations Delegated Authority Matrix Approval System - workflow built into Systems Bank Modulus Checks	SMT NFI results reported to Audit & Risk Committee every two years.	Internal Audit - inherent in all Audits External Audit - cover NFI and Fraud as part of the External Audit remit NFI every two years		**Yes**	

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10	**Sustainability & Net Zero**	**Director of Estates & Corporate Services & Sustainability Manager**	Estates & Sustainability Strategy Policies & Procedures Directors & Officers Insurance Raising Awareness	Operational Plan Climate Change Action Plan - Actions Race to Zero - Actions Staff & Student Engagement	College Environmental Champions Group Estates & Sustainability Working Group SMT Quarterly oversight by Finance & Resources Committee Reports to Board and Arms Length Foundation as required GCG/Regional Sustainability Group	IA - Environmental Sustainability Public Sector Climate Change Duties Report - Annual Report Climate Change Action Plan - Annual Race to Zero - Annual Report		**Yes**	

Key: RAG rating on the effectiveness of controls from assurance work undertaken
LOW: Significant concerns over the adequacy/effectiveness of the controls in place in proportion to the risks
MEDIUM: Some areas of concern over the adequacy/effectiveness of the controls in place in proportion to the risk
HIGH: Controls in place assessed as adequate/effective and in proportion to the risks
Insufficient information at present to judge the adequacy/effectiveness of controls
N/A - No Action Required