

**CORRESPONDENCE FROM THE PUBLIC AUDIT COMMITTEE TO THE SCOTTISH FUNDING COUNCIL, DATED 19 JANUARY 2015**

**AUDITOR GENERAL FOR SCOTLAND (AGS) SECTION 22 REPORT: [“THE 2012/13 AUDIT OF NORTH GLASGOW COLLEGE: GOVERNANCE AND FINANCIAL STEWARDSHIP”](#)**

At its meeting on 14 January 2015, the Public Audit Committee considered responses from the Scottish Government and the Scottish Funding Council to the Auditor General for Scotland’s report entitled “The 2012/13 audit of North Glasgow College”. The Official Report of the Committee meeting is available to read online at: <http://www.scottish.parliament.uk/parliamentarybusiness/28862.aspx?r=9726#.VLz5CdKsWQk>

At that meeting the Committee expressed concern that it would appear that no further action was being taken in relation to the issues which arose at North Glasgow College. The Committee recognises that North Glasgow College no longer exists; however, in relation to the role of the Scottish Funding Council we would seek further information in relation to the following:

- In your response you explain that SFC expects colleges to comply with its guidance, however what action can the SFC take if Boards do not follow the guidance provided by SFC (as was the case with North Glasgow College). What action did the SFC take in relation to the issues which arose in the 2012/13 audit of North Glasgow College.
- What role SFC staff have, especially those who attended Merger Partnership Boards, in proactively ensuring Boards are following all relevant SFC guidance.
- You also comment in your response that “SFC relies on internal and external auditor reports submitted with college’s annual accounts for assurance that college boards and committees are properly supported and demonstrate good governance, record keeping and decision taking practices.” The Committee would therefore welcome confirmation of what action:
  - the SFC can take should it receive a poor internal or external auditor report.
  - the SFC took or is proposing to take in relation to each of the issues identified in the AGS Section 22 report on the 2012/13 audit of North Glasgow College.
- The Committee noted that following 1 April 2014 incorporated colleges will have to comply with the SPFM in relation to severance arrangements. The Committee would request further information on what activity SFC will be undertaking to promote the new templates and guidance (currently being developed to sit alongside the SPFM) to Colleges and Boards and what monitoring the SFC would propose to undertake to evaluate whether that this new guidance is being complied with by Colleges.

- Finally we would seek further information on what severance terms non incorporated colleges will have to comply with given they will not be subject to the terms of the SPFM.

Our normal practice is to publish relevant evidence that is sent to us on our website and we may also include it in the hard copy of any committee report. **Therefore, if you wish your evidence to be treated as confidential, or for your evidence to be published anonymously, please contact the Clerk to the Committee, before you submit your evidence.** Further information on the publication of written submissions is contained in the policy on the treatment of written evidence by committees which is available at: <http://www.scottish.parliament.uk/help/31037.aspx>  
**Please take time to read this policy.**

I would be grateful for a response to this letter by **Monday 16 February 2015**. Should you require any further information please do not hesitate to contact the Clerk, Jane Williams on 0131 348 5390 or by email at [pa.committee@scottish.parliament.uk](mailto:pa.committee@scottish.parliament.uk).

Yours sincerely

**Paul Martin MSP, Convener**