

## Board of Management Audit Committee

<b>Date of Meeting</b>	<b>Wednesday 15 November 2017</b>
<b>Paper No.</b>	<b>AC2-F</b>
<b>Agenda Item</b>	<b>7.3</b>
<b>Subject of Paper</b>	<b>Internal Audit Report – Student Activity Data</b>
<b>FOISA Status</b>	<b>Disclosable</b>
<b>Primary Contact</b>	<b>Henderson Loggie</b>
<b>Date of production</b>	<b>5 October 2017</b>
<b>Action</b>	<b>For Discussion and Decision</b>

### **Recommendations**

The Committee is asked to consider and discuss the report and the management responses to the internal audit recommendations.

## **1. Purpose of report**

The purpose of this review is to provide management and the Audit Committee with assurance on key controls relating to the curriculum and financial plans in place for City of Glasgow College and their alignment with the regional plan for Glasgow and the college student number targets.

## **2. Context and Discussion**

Following the Audit Needs Assessment undertaken by Henderson Loggie in session 2016-17, and the consequent Internal Audit Strategic Plan 2016-2020, both approved by the Committee in March 2017, an operating plan was created for the year ended 31 July 2017.

This internal audit of Student Activity Data provides an outline of the objectives, scope, findings. No issues were identified from Internal Audit testing for 2016/17 that required a recommendation for improvement to be made.

## **3. Impact and implications**

Refer to internal audit report.



**City of Glasgow College**

**2016/17 Student Activity Data**

**Internal Audit Report No: 2017/12**

**Draft Issued: 2 October 2017**

**Final Issued: 5 October 2017**

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# 1. Management Summary

## Introduction

The Guidance Notes issued by the Scottish Funding Council (SFC) on 20 July 2017, '*Data return for funding purposes (FES return) and audit guidance for colleges 2016-17*', requested submission by City of Glasgow College ('the College') of the FES return for session 2016/17, which includes the Credits data relating to College activity for the academic year 2016/17.

Guidance on completion of the 2016/17 return was issued by the SFC on 26 August 2016.

The Credits Audit Guidance requests that colleges obtain from their auditors their independent opinion on the accuracy of the FES return.

## Scope of Audit

In accordance with the Credits Audit Guidance we reviewed and recorded the systems and procedures used by the College in compiling the returns and assessed and tested their adequacy. We carried out further detailed testing, as necessary, to enable us to conclude that the systems and procedures were working satisfactorily as described to us.

Detailed analytical review was carried out, including a comparison with last year's data, obtaining explanations for significant variations by Dominant Programme Group (DPG) and dominant Price Group.

Our testing was designed to cover the major requirements for recording and reporting fundable activity identified at Annex C to Credits Audit Guidance and the key areas of risk identified in Annex D.

## Audit Staffing

An Audit Director with 24 years' experience in the further and higher education sectors had overall responsibility for the planning, control and conduct of the audit and supervised and reviewed work performed by an Assistant Manager and Audit Trainee with 12 and one years' experience in the sector respectively. The Audit Partner was responsible for the overall management of the audit and ensuring that the firm's quality standards were met.

The quality of audit work undertaken by the firm is enhanced through continuous review of procedures and the implementation of individual training programmes designed to address the needs of each team member.

The total number of audit days was eight split one day for the Audit Director, five days for the Assistant Manager and two days for the Audit Trainee.

## Audit Findings

The points that we would like to bring to your attention have been grouped together under the following headings to aid your consideration of them:

- Introduction;
- Systems and Procedures for Compilation of Returns; and
- Analytical Review.

No issues have been identified from our audit testing for 2016/17 that required a recommendation for improvement to be made.

## Conclusion

Our report to SFC was submitted on the deadline date of 29 September 2017. We reported that, in our opinion:

- the student data returns have been compiled in accordance with all relevant guidance;
- adequate procedures are in place to ensure the accurate collection and recording of the data; and
- on the basis of our testing we can provide reasonable assurance that the FES return contains no material mis-statement.

A copy of our Audit Certificate is included at Appendix I to this report.

## Acknowledgements

We would like to take this opportunity to thank the staff at City of Glasgow College who helped us during the course of our audit.

## 2. Main Report

### 1 Introduction

#### 1.1 SFC Guidance

1.1.1 The Credits Audit Guidance issued by the Scottish Funding Council (SFC) on 20 July 2017 sets out, at Annex D, the key areas of risk in relation to the preparation of the FES return. These are:

- identification of non-fundable activity, both courses and students;
- classification as higher education or further education;
- classification as full-time or other than full-time;
- identification and counting of infill students;
- allocation of dominant Price Group code;
- capturing of enrolments and identification and recording of student attendance and withdrawals;
- allocation of Credit values;
- claims for related study;
- identification of students experiencing learning difficulties;
- recording of fee waivers;
- recording of progress for students on open / distance learning programmes; and
- claims for collaborative provision.

1.1.2 This is the first year that we have carried out the Credits audit for the College. For academic year 2016/17 we documented the systems and procedures used in the compilation of the returns. We then carried out detailed testing, as necessary, to enable us to conclude that the systems and procedures were working satisfactorily. Detailed analytical review was carried out, including a comparison with last year's data, obtaining explanations for significant variations by Dominant Programme Group (DPG) and dominant Price Group.

1.1.3 As requested by the Credits Audit Guidance this report indicates: the scope of the audit; the approach taken; the extent of checking undertaken; the external data examined; an indication of analytical review work performed; and the main findings from our audit work. There were no prior year recommendations to be followed-up and there were no adjusted or unadjusted errors found during the course of the audit.

## 2. Systems and Procedures for Compilation of Returns

### 2.1 Introduction

- 2.1.1 Detailed testing at the year-end Credits audit included two main tests on courses and individual students.
- 2.1.2 The following tests were carried out for a sample of 15 courses selected from the UNIT-e student records system:
- a) Ensured that the course met the criteria for fundable activity set out in the Credits guidance;
  - b) Where applicable, ensured that the course met the definition of further or higher education set out in the Credits guidance;
  - c) Ensured that courses recorded as full-time met the definition for full-time set out in the Credits guidance;
  - d) Checked the student total for a programme against course / class lists or course / class register. Checked calculation of the required date and ensured that students who had withdrawn prior to this date had been excluded from the Credits count; and
  - e) Checked allocation of Credits to courses in accordance with the Credits guidance.
- 2.1.3 For a total of 72 students selected from the above courses the following tests were carried out, where applicable:
- a) Ensured that the student met the criteria for fundable activity set out in the Credits guidance;
  - b) Checked back to signed enrolment forms, or electronic equivalent, for the 2016/17 academic year;
  - c) For infill courses, ensured that Credits were allocated according to the modules attended by individual students rather than by the default value for the courses being infilled;
  - d) Checked to student attendance records and, for withdrawals (including a sample of 15 full-time students who withdrew within two weeks after the Credits qualifying date), checked that the withdrawal date noted on the system was the last date of physical attendance;
  - e) For Extended Learning Support (ELS) and Price Group 5 (DPG 18) students checked that a Personal Learning Support Plan (PLSP) had been drawn up in conjunction with the student, to identify additional support, and checked for evidence that it had been kept under regular review throughout the period of study; and
  - f) For students following courses of open and distance learning vouched to study plan etc. and ensured that required criteria was met.
- 2.1.4 The following tests were carried out by reviewing records for all College courses:
- a) Confirmed that there were no claims for more than one full-time enrolment per student for 2016/17 and ensured that Credits had not been claimed in respect of courses that were related in respect of subject area, unless progression could be clearly established;
  - b) Confirmed that ELS Credits had not been claimed for students attending Price Group 5 courses; and
  - c) Confirmed that Credits had not been claimed for distance learning students resident outwith Scotland.



## 2. Systems and Procedures for Compilation of Returns (Continued)

### 2.1 Introduction (Continued)

2.1.5 In relation to European Social Funds (ESF), for a sample of 16 students selected from the College's ESF funded programmes testing was carried out on the College's systems for administering the additional funding, in line with conditions of grant. This included:

- a) reviewing the eligibility of students flagged for ESF Credits;
- b) ensuring that supporting documentation was held for ESF students, including: a completed enrolment form; a completed participant form; proof of nationality; proof of permanent residence; and appropriate notification issued to the student; and
- c) ensuring that Credits are only claimed for completed modules.

2.1.6 We reviewed the systems for recording fee waiver entitlement and carried out an analytical review to ensure the accuracy of the fee waiver element of the FES return. For a random sample of 10 part-time students we confirmed that College staff had verified the entitlement to benefit.

2.1.7 It was confirmed by the Head of Student Data and Research that the College is not involved in any collaborative provision and no such courses were identified during our audit testing. No further work was therefore required in this area.

2.1.8 Before signing our audit certificate, we reviewed the final FES online report and the explanations for remaining errors.

2.1.9 From our review and testing of the systems and procedures used in the compilation of the returns, we concluded that overall, they were adequate to minimise risk in the areas identified in Annex D of the Credits Audit Guidance and were working satisfactorily as described to us.

2.1.10 The remainder of this report discusses issues identified during our review of the 2016/17 student activity data.

### 2.2 Maximum Credits Claim per Student

2.2.1 For 2016/17 the Credits guidance noted a new process was in place for agreeing the number of Credits claimed for programmes above 18 Credits for further education or 15 Credits for higher education, known as 'one plus' activity. The guidance states that if the total one plus activity is over 1% (later revised to 2.5%) of the total volume of Credits allocated to the college (or the region for multi-college regions) by the SFC then an application must be made to the SFC to approve delivery of these courses at the higher credit value.

2.2.2 The final FES summary report highlights 1,644 instances where student Credits were above 15 for a full-time higher education course and 135 instances where student Credits were above 18 for a full-time further education course, and the College's total one plus activity was estimated as 2.5% of the target delivery, which is on the revised threshold. At the date of this report we understand that the SFC had calculated the one plus activity for the Glasgow region to be 2.7% and that this had been accepted for 2016/17.

### 3. Analytical Review

3.1 The analytical review by DPG for the current year, included at Appendix III of this report, showed significant variances in DPG 4, 5, 7, 14 and 16. Analytical review by dominant Price Group at Appendix II also showed significant variances in Price Groups 1 and 2. These were discussed with College management. The explanations we received provided us with additional assurance that the Credits claim does not contain material errors:

- DPG 4 Computers, software & information – increase due to four new HN programmes plus three new further education programmes delivered in the year. This is reflected within the increase in Price Group 2 activity;
- DPG 5 Construction – increase due to two new full-time programmes. In general, all full-time further education programmes delivered a minimum of 18 Credits, which was approximately one additional credit per fundable enrolment. There was also a general increase in activity in the group. This is reflected within the increase in Price Group 3 activity;
- DPG 7 Engineering – increase due to six additional full-time programmes, plus there was a general increase in activity across the group. This is reflected within the increase in Price Group 3 activity;
- DPG 14 Social studies & languages – increase due to four new full-time programmes being offered. In addition, there was a general increase in class sizes, facilitated by the move to the new campus. There was an increase in Credits claimed on part-time ESOL programmes in 2016/17 following a reduction in commercial ESOL programmes that were delivered in 2015/16. This is reflected within the increase in Price Group 1 activity; and
- DPG 16 Sport & leisure – increase due to one additional full-time higher education programme and two additional further education programmes being offered in 2016/17, plus there was a general increase in activity. This is reflected within the increase in Price Group 2 activity.

## Appendix I – Copy of Audit Certificate

sc/si/C572

Scottish Funding Council  
Apex 2  
97 Haymarket Terrace  
Edinburgh  
EH12 5HD

29 September 2017

Dear Sirs

### **Auditor's Report to the Members of the Board of Management of City of Glasgow College**

We have audited the FES return which has been prepared by City of Glasgow College under the 'Credits' Guidance issued 26 August 2016 and which has been confirmed as being free from material mis-statement by the College's Principal in his Certificate dated 29 September 2017. We conducted our audit in accordance with guidance contained in the 2016-17 audit guidance for colleges. The audit included an examination of the procedures and controls relevant to the collection and recording of student data. We evaluated the adequacy of these controls in ensuring the accuracy of the data. It also included examination, on a test basis, of evidence relevant to the figures recorded in the student data returns. We obtained sufficient evidence to give us reasonable assurance that the returns are free from material mis-statement.

In our opinion:

- the student data returns have been compiled in accordance with all relevant guidance;
- adequate procedures are in place to ensure the accurate collection and recording of the data;  
and
- on the basis of our testing we can provide reasonable assurance that the FES return contains no material mis-statement.

Yours faithfully

Henderson Loggie

Date:

29 September 2017

## Appendix II – Price Group Analytical Review 2015/16 and 2016/17

<b>Price Group</b>	<b>2015/2016 Credits</b>	<b>2016/2017 Credits</b>	<b>Credits Variance</b>	<b>% Variance</b>
1	39,828	44,403	4,575	11.5
2	64,035	71,039	7,004	10.9
3	56,997	57,722	725	1.3
4	0	0	0	0
5	5,026	4,807	(219)	(4.4)
	<u>165,886</u>	<u>177,971</u>	<u>12,085</u>	<u>7.3</u>

## Appendix III – DPG Analytical Review 2015/16 and 2016/17 - Figures

<b>Dom Gp</b>	<b>2015/2016</b>	<b>2016/2017</b>	<b>Credits</b>	<b>%</b>	
	<b>Credits</b>	<b>Credits</b>	<b>Variance</b>	<b>Variance</b>	
1	Agriculture & horticulture	0	0	0	
2	Business & management	26,416	27,445	1,029	3.9
3	Food technology & catering	11,379	11,581	202	1.8
4	Computers, software & information	9,694	11,884	2,190	22.6
5	Construction	12,635	14,564	1,929	15.3
6	Creative arts & design	21,771	21,473	(298)	(1.4)
7	Engineering	7,291	9,494	2,203	30.2
8	Health & related studies	16,309	16,972	663	4.1
9	Minerals, materials & fabrics	3,142	3,030	(112)	(3.6)
10	Personal development & self help	563	1,075	512	90.9
11	Printing	435	11	(424)	(97.5)
12	Science & maths	73	560	487	667.1
13	Secretarial / office & sales work	1,041	914	(127)	(12.2)
14	Social studies & languages	22,299	25,341	3,042	13.6
15	Social work	5,009	5,139	130	2.6
16	Sport & leisure	13,237	14,555	1,318	10.0
17	Transport, services & vehicle engineering	9,566	9,126	(440)	(4.6)
18	Special programmes	5,026	4,807	(219)	(4.4)
	<b>Totals (excluding ELS)</b>	<b>165,886</b>	<b>177,971</b>	<b>12,085</b>	<b>7.3</b>
	<b>Total Funded Target</b>		<b>177,788</b>		
	- including ESF Target Activity of		<b>8,357</b>		
	<b>Actual ESF Activity</b>		<b>8,357</b>		

## Appendix IV – DPG Analytical Review 2015/16 and 2016/17 - Graph

