

## Board of Management Audit & Assurance Committee

<b>Date of Meeting</b>	<b>Tuesday 23 November 2021</b>
<b>Paper No.</b>	<b>AAC2-J</b>
<b>Agenda Item</b>	<b>5.5.5</b>
<b>Subject of Paper</b>	<b>Internal Audit Report – Partnership Working</b>
<b>FOISA Status</b>	<b>Disclosable</b>
<b>Primary Contact</b>	<b>Henderson Loggie</b>
<b>Date of production</b>	<b>17 November 2021</b>
<b>Action</b>	<b>For Discussion and Decision</b>

### 1. Recommendations

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

## 2. Purpose of report

The purpose of this review is to provide management and the Audit and Assurance 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.

## 3. Key Insights

This internal audit of Partnership Working provides an outline of the objectives, scope, findings and graded recommendations as appropriate, together with management responses. This constitutes an action plan for improvement.

The Report includes a number of audit findings which are assessed and graded to denote the overall level of assurance that can be taken from the Report. The gradings are defined as follows:

Good	System meets control objectives.
Satisfactory	System meets control objectives with some weaknesses present.
Requires improvement	System has weaknesses that could prevent it achieving control objectives.
Unacceptable	System cannot meet control objectives.

## 4. Impact and implications

Refer to internal audit report.

# City of Glasgow College

## Partnership Working

Internal Audit report No: 2021/10

Draft issued: 15 November 2021

Final issued: 17 November 2021



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## Level of Assurance

In addition to the grading of individual recommendations in the action plan, audit findings are assessed and graded on an overall basis to denote the level of assurance that can be taken from the report. Risk and materiality levels are considered in the assessment and grading process as well as the general quality of the procedures in place.

Gradings are defined as follows:

<b>Good</b>	System meets control objectives.
<b>Satisfactory</b>	System meets control objectives with some weaknesses present.
<b>Requires improvement</b>	System has weaknesses that could prevent it achieving control objectives.
<b>Unacceptable</b>	System cannot meet control objectives.

## Action Grades

<b>Priority 1</b>	Issue subjecting the organisation to material risk and which requires to be brought to the attention of management and the Audit and Assurance Committee.
<b>Priority 2</b>	Issue subjecting the organisation to significant risk and which should be addressed by management.
<b>Priority 3</b>	Matters subjecting the organisation to minor risk or which, if addressed, will enhance efficiency and effectiveness.



# Management Summary

## Overall Level of Assurance

<b>Good</b>	System meets control objectives.
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## Risk Assessment

This review focused on the controls in place to mitigate the following risks on the City of Glasgow College Strategic Risk Register as of 20 May 2021:

**Risk Number 7** - Failure to achieve improved business development performance with stakeholders (Risk score 20, Red)

Risk Number 16 - Failure to maximise income via diversification (Risk score 20, Red)

## Background

As part of the Internal Audit programme at City of Glasgow College (the College) for 2020/21, we carried out a review of Partnership Working. The Audit Needs Assessment completed in March 2017, identified this as an area where risk can arise and where Internal Audit can assist in providing assurances to the Board of Management and the Principal that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

The College currently works with an extensive range of stakeholders ensuring that the curriculum offered to students is relevant and fit-for-purpose. These key stakeholders include regional college partners, other Scottish College's, Scottish Funding Council, Skills Development Scotland, Scottish Development International, Scottish Enterprise, Community Planning Partnerships, Glasgow City Council, employers and other relevant organisations in industry.

The College holds partnership working as one of its five values and has set priority to innovate partnership working and be a valued partner in the Glasgow city region. It has developed partnerships with several key organisations in the Glasgow and Greater Glasgow region including partners in industry, Higher Education, and 50 international partners. This allows the College to diversify its offerings and portfolio and offer a breadth of courses (approximately 2000) across its four faculties.

The college collaborates with approximately 1500 industrial partners to better match the skills of students with needs of employers, offering re-training opportunities for older learners and real work experience.

The review of arrangements against good practice noted in Audit Scotland Best Value toolkit on Partnership Working noted arrangements were robust with planning and enhancements to improve maturity around target setting and performance review is in place.



### Scope, Objectives and Overall Findings

The scope of this audit was to carry out a high-level review of the effectiveness of the College’s partnership working arrangements.

The overall objective of the audit was to establish whether the College’s arrangements for partnership working are effective.

The table below notes each separate objective for this review and records the results:

Objective	Findings		
	1	2	3
<b>The objective of our audit was to obtain reasonable assurance that</b>	<b>No. of Agreed Actions</b>		
1. Senior management and Board members are committed to partnership working	Good	-	-
2. For relationships with key partners there are: <ul style="list-style-type: none"> <li>◆ appropriate arrangements in place including, where appropriate, agreements, priorities, strategies, operating plans and working structures;</li> <li>◆ effective governance arrangements, including adequate reporting against agreed performance measures and targets and monitoring of this information;</li> <li>◆ robust communication channels, including processes to escalate issues;</li> <li>◆ ongoing monitoring of the effectiveness of partnership working and consideration of possible improvements; and</li> <li>◆ adequate resources (funding, assets and staffing) to enable effective working.</li> </ul>	Good	-	2
<b>Overall Level of Assurance</b>	<b>Good</b>	-	2
			<b>System meets control objectives.</b>



### Audit Approach

We reviewed the partnership working arrangements in place with a sample of key partners through the discussion with members of the College Executive Team, review of supporting information, and from conclusions based on the evidence obtained on the effectiveness of the College's partnership working arrangements.

Our briefing discussion with the Depute Principal & Chief Operating Officer noted that management are currently developing arrangements and controls around international partnerships and therefore it was not an appropriate time to audit this area. Management were also assured around arrangement with the GCRB and Glasgow Region Colleges, higher education partners, Glasgow Community Planning Partnership and related community partnership working, and schools.

As a key area of focus of the College, we therefore focussed on arrangements for the College to deliver partnerships with employers and industry through the Flexible Workforce Development Fund by reviewing partnership arrangements within Faculty areas of Nautical & STEM and Hospitality & Leisure.

This area of focus was agreed with Depute Principal & Chief Operating Officer and the Vice Principal Corporate Development & Innovation in June 2021.

This report should be read in conjunction with our **Internal Audit Report on Business Engagement (Number 2021/11)**, which further explores the arrangements around engagement controls with employers and industry.



### Summary of Main Findings

#### **Strengths**

- The College is committed to partnership working and supporting the Glasgow Region, its economy and delivering courses that meet the needs of Glasgow communities, including schools as well as adult learners, employers, and residents.
- There is also a strong culture at the College that encourages partnership working.
- There is a dedicated Board Sub-Committee, the Development Committee, that has responsibilities to review of the College's commercial and international activities ensuring alignment with the College's Strategic Plan.
- A Corporate Development Strategy 2021-2030 is established and approved by the Development Committee that comprises a set of Aims and Objectives, in the context of the Strategy Purpose, Benefits, and Key Drivers for partnership working – locally, nationally, and internationally.
- The Development Strategy is supported by a Business and International Operational Plan that was in draft at the time of our review. Inspection noted that it aligned to the Development Strategy and targets that were under development. These will fit into new operational plans for faculties that were under development for 2022/23 financial year planning.
- Targets around partnership working identified will be monitored as part of the Quality and Performance review cycle that was revised during 2021 by the Director of Excellence.
- The Director of Business Partnerships has developed a proposal for a centralised process for international partnership agreements with internal controls around the due diligence of proposed partners and the development of Memorandum of Understandings and Agreements. Consideration should be made to rolling the process out across all partnership working.
- There is cross agendas between income generation from partnerships working and curriculum performance. Therefore, partnership working priorities are identified on the income reports provided to the Development Committee by the Vice Principal Corporate Development & Innovation. While wider curriculum performance is reviewed by the Learning & Teaching Committee, they also have sight to the progress on key partnership working arrangements, such as cadet progression within Nautical.
- Progress on key partnership working is also monitored by the Principal through one-to-one meetings with Faculty Deans.

#### **Enhancements**

While the audit did not identify any significant control weaknesses, arrangements would be further enhanced if the following areas could be addressed:

- As partnership working is devolved to Faculties, there is no central team for coordinating all partnership agreements. Without a CRM system embedded within departments and faculties, there is no central repository on all partnerships that are currently in place that has information on who holds the relationship, the tenure of present agreements to allow for effective succession planning, and future partnership considerations. Management should consider developing a register of agreements that are currently in place for effective business continuity.
- Faculty management meetings should be attended by their dedicated BE team member to support the formation of partnership working and support in transferring lessons learned around good practice.

### Acknowledgment

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





## Main Findings and Action Plan

### Objective 1 - Senior management and Board members are committed to partnership working

Our review of arrangement noted that the College is committed to partnership working and supporting the Glasgow Region, its economy and delivering courses that meet the needs of Glasgow communities, including schools as well as adult learners, employers, and residents. This commitment is set out in the following:

- the College Strategic Plan 2017-2025 that detail the pivotal role partnership working has on meet workforce needs as well as offering diversity within the College's offering and sustainability in income.
- the Access & Inclusion Strategy (2017-20) which includes partnership working regarding interacting with young people; Skills Development Scotland; working with community groups; and working with the SFC priority action groups;
- working in conjunction with the Glasgow Region Colleges and GCRB to deliver regional strategies, including the Glasgow Region Strategic Plan for College Education 2017-2022;
- being involved in the Glasgow Community Planning Partnership (GCPP) and the regional strategies that support this;
- being involved in delivering the Glasgow Regional Outcome Agreement (ROA);
- having a regional STEM Strategy which was developed jointly with the other Glasgow Region Colleges and GCRB;
- embedding partnership activity into faculties and support departments which is seen as a keyway to underpin student learning and obtain employer support through the College's Industry Academies;
- reporting to the College Board or its committees on partnership activity; and
- being involved with a wide range of partnerships at local, national, and global level as a Worldskill partner.

There is also a strong culture at the College that encourages partnership working:

- There is particular focus on aligning the product offering with the national agenda around upskilling and reskilling with employers. This was noted in our Internal Audit of Curriculum Planning (Report Number 2021/09)
- Business Engagement arrangements and audit of arrangement with the Business Engagement Team and promotion of the Flexible Working Development Fund (FWDF) also noted a strong agenda around partnership working with industry. This was noted in our Internal Audit of Business Engagement Planning (Report Number 2021/11).
- Faculty Deans have objectives set to further commercial income of their areas. However, discussions noted there is balance made around potential opportunities and capacity of the faculties to deliver on programme. Options are reviewed as business cases by the Faculty Board and Academic Board, and
- Board members and the Executive Team actively support staff to engage with key stakeholders to further develop partnership working, as noted during recent engagement of the Executive Team at the COP26 summit in Glasgow.

The challenge for management, however, is the coordination of all activity to ensure work is prioritised to the benefit of the College and the Glasgow Region. However, there is a dedicated Board Sub-Committee, the Development Committee, that has responsibilities to review of the College's commercial and international activities ensuring alignment with the College's Strategic Plan (Terms of Reference, January 2021).



### Objective 2 – For relationships with key partners there are:

- ◆ appropriate arrangements in place including, where appropriate, agreements, priorities, strategies, operating plans and working structures;
- ◆ effective governance arrangements, including adequate reporting against agreed performance measures and targets and monitoring of this information;
- ◆ robust communication channels, including processes to escalate issues;
- ◆ ongoing monitoring of the effectiveness of partnership working and consideration of possible improvements; and
- ◆ adequate resources (funding, assets, and staffing) to enable effective working.

### Appropriate arrangements in place including, where appropriate, agreements, priorities, strategies, operating plans and working structures

In May 2021, the Development Committee approved the Corporate Development Strategy 2021-2030 that comprises a set of Aims and Objectives, in the context of the Strategy Purpose, Benefits, and Key Drivers. The Development Strategy has seven aims as follows:

1. Enhance and expand the College brand promoting it as a Civic Anchor to all partners locally, nationally, and internationally. Positioning City as the No1 institution for professional & technical education and skills for students, staff & stakeholders,
2. Further develop our Global Partnership across a range of identified countries, regions and territories ensuring that City is recognised as Excellent, Inspirational & Innovative,
3. Implement a programme of innovation and applied research activity across the college that identifies and exploits opportunities for staff, students and income generating activity,
4. Promote an innovative, inclusive, and agile approach for Partnership working ensuring that City is a trusted Civic Anchor institution providing professional and relevant training & qualifications for local, regional & national labour markets,
5. Assist Faculty developments to enhance the Award-Winning Industry Academy Model further developing a range of fit-for-purpose academies that underpin student activity and promote and encourage enterprise & entrepreneurship creating a pipeline of work-ready students,
6. Ensure that City is positioned as a credible, innovative, and trusted partner which is open to co-investment, co-funding and co-location infrastructure and partnership opportunities, ensuring that activity aligns with the Government's Green ambition, and
7. Create a college-owned subsidiary that complements the City of Glasgow College commercial activity, offering a diversification of products and services to the Marine sector and associated industries.

These aims are supported by 50 operational objectives around developing and enhancing partnership working across the College.



### Objective 2 – For relationships with key partners there are:

- ◆ appropriate arrangements in place including, where appropriate, agreements, priorities, strategies, operating plans and working structures;
- ◆ effective governance arrangements, including adequate reporting against agreed performance measures and targets and monitoring of this information;
- ◆ robust communication channels, including processes to escalate issues;
- ◆ ongoing monitoring of the effectiveness of partnership working and consideration of possible improvements; and
- ◆ adequate resources (funding, assets, and staffing) to enable effective working.

### Appropriate arrangements in place including, where appropriate, agreements, priorities, strategies, operating plans and working structures. (Continued)

The 50 objectives are referenced numbered and have been brought into the draft Business and International Operational Plan. This plan was under development at the time of our audit. It is to be managed by Director of Business Partnerships and owned by Vice Principal Corporate Development & Innovation, and review noted many annual targets for each objective have been identified. Out of 28 activities noted, only six had targets to be agreed. These related the following:

- Remote and blended programmes,
- Each Associate Dean to launch Industry Academies to develop flexible vocational pathways to address skills demands,
- Build strategic partnerships to identify new opportunities that will rely on the roll out of the new Customer Relationship Management,
- Expand the international, national, and local partnership base,
- Promote awareness and easily accessible information for Business and International Activity to local, national, and international stakeholders and monitoring of digital engagement, and
- Maximise commercial income.

### Effective governance arrangements, including adequate reporting against agreed performance measures and targets and monitoring of this information

These targets will be aligned to the new performance and quality cycle work that is underway by the Director of Excellence. The current review of curriculum performance planning for 2022/23 will support faculty operational plan development that is to be introduced for the 2022/23 budget planning process.

The Director of Business Partnerships has also developed a proposal for a centralised process for international partnership agreements that we noted has appropriate internal controls around the due diligence of proposed partners and the development of Memorandum of Understandings and Agreements. While the focus of this planned process of around international activity, there is potential to expand it for all partnership working.



### Objective 2 – For relationships with key partners there are:

- ◆ appropriate arrangements in place including, where appropriate, agreements, priorities, strategies, operating plans and working structures;
- ◆ effective governance arrangements, including adequate reporting against agreed performance measures and targets and monitoring of this information;
- ◆ robust communication channels, including processes to escalate issues;
- ◆ ongoing monitoring of the effectiveness of partnership working and consideration of possible improvements; and
- ◆ adequate resources (funding, assets, and staffing) to enable effective working.

### Effective governance arrangements, including adequate reporting against agreed performance measures and targets and monitoring of this information (Continued)

In practice, the Development Committee receives, and reviews, reports on the College's commercial and international activities from the Vice Principal Corporate Development & Innovation as part of its standing agenda to support its oversight of the implementation of new business, international, and commercial activities. Consideration to the reporting needs of the Development Committee for its oversight of progress of the Development Strategy and the Business and International Operational Plan. Consideration should also be made to the needs of wider stakeholders, such as the Learning & Teaching Committee, who will have oversight of curriculum requirements and roll out of any Industry Academies.

Discussions with management, however, noted additional challenge around insight to the partnerships already in place across the College, who leads those partnerships, the tenure of their agreements, and mitigations for business continuity. A new Customer Relationship Management (CRM) system is being piloted by the Executive management to support this requirement; however, the functionalities of the proposed system was not audited.

There are plans to roll out the system across the City Enterprises Business Development Team (the "BD Team"), who manage most of the partnership working with employers, and faculties management who develop bespoke learning programmes for industry.

Otherwise, partnership working priorities are identified on the income reports provided to the Development Committee by the Vice Principal Corporate Development & Innovation.



## Partnership Working

### Objective 2 – Effective governance arrangements, including adequate reporting against agreed performance measures and targets and monitoring of this information (Continued)

Observation	Risk	Recommendation	Management Response	
<p>As partnership working is devolved to Faculties, there is no central team for coordinating all partnership agreements. Without a CRM system embedded within departments and faculties, there is no central repository on all partnerships that are currently in place that has information on who holds the relationship, the tenure of present agreements to allow for effective succession planning, and future partnership considerations.</p> <p>For example, while agreements made by the City Enterprises Business Development Team are recorded in HubSpot (their CRM system), agreements made by faculties with industry partners are held by faculty management.</p> <p>Faculty management interviewed were unaware for when the CRM is likely to be rolled out or how they may use it to track existing partnerships and identify potential new partnership leads.</p>	<p>Risk to organisational knowledge retention and business continuity should key partnership relationship holders leave the College.</p>	<p><b>R1</b> - In the interim of rolling out the CRM, management should consider developing a central register of agreements that are currently in place with industry partners to act as a central repository on partnership working in place across the College, their tenure, and who manages the relationship.</p> <p>A process for ensuring it is kept up to date should also be developed. Such as the register could be held on SharePoint with restricted access and in line with GDPR requirements.</p>	<p>Will liaise with Director of IT to establish current progress and to finalise a timeline for the implementation of the CRM system across the Corporate Development Function.</p> <p><b>To be actioned by:</b> Vice Principal Corporate Development &amp; Innovation</p> <p><b>No later than:</b> 28 February 2022</p>	
			<p><b>Grade</b></p>	<p><b>3</b></p>



## Partnership Working

**Objective 2 – For relationships with key partners there are:**

- ◆ appropriate arrangements in place including, where appropriate, agreements, priorities, strategies, operating plans and working structures;
- ◆ effective governance arrangements, including adequate reporting against agreed performance measures and targets and monitoring of this information;
- ◆ robust communication channels, including processes to escalate issues;
- ◆ ongoing monitoring of the effectiveness of partnership working and consideration of possible improvements; and
- ◆ adequate resources (funding, assets and staffing) to enable effective working.

**Ongoing monitoring of the effectiveness of partnership working and consideration of possible improvements and ongoing monitoring of the effectiveness of partnership working and consideration of possible improvements.**

Performance of the partnerships is monitored at faculty level through “client performance meetings” and monitoring the student success on completion of courses. Faculty Deans will monitor progress and performance and highlight issues to the Faculty Board, SLT, or direct to the Principal via Faculty Dean one-to-one meetings. Performance on courses is monitored by the Learning & Teaching Committee.

With courses funded through the FWDF feedback is sought from individuals at the time of the course and from employers a year after completion of the programme. All commercial income is tracked by the Vice Principal Corporate Development & Innovation and reported to the Development Committee.



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- ◆ effective governance arrangements, including adequate reporting against agreed performance measures and targets and monitoring of this information;
- ◆ robust communication channels, including processes to escalate issues;
- ◆ ongoing monitoring of the effectiveness of partnership working and consideration of possible improvements; and
- ◆ adequate resources (funding, assets and staffing) to enable effective working.

### Adequate resources (funding, assets, and staffing) to enable effective working

The industry academy model is unique to the College that allows more structures learning programmes for industry partners. We noted several examples through our discussions with Faculty Deans. Notably with the maritime industry by the Faculty of Nautical and STEM. CalMac has been a key partner who the College support through development of an academy to support industry succession planning in Deck, Engine and Hospitality. This has been expanded further to provide Ships Cook with Certifications of Competence through the joint working with the Faculty of Leisure and Hospitality after the maritime regulator changed standards for staff.

However, the challenge for the College to how it will create industry academies across all faculties, align the estate and digital infrastructure to suit, and have the resource to deliver on partnership working. Discussions with Faculty Deans and management noted that while there is ambitions to develop further partnership working, such as industry academies, success will depend on (i) faculty management capacity to review options and develop robust business cases, and (ii) capacity within faculties to deliver on potential partnerships.

This is well understood by the Executive team and the College's People Strategy is currently under review. New operational planning for 2022/23 will also support the analysis around department capacity and capability to deliver on partnership working and their core SFC funded curriculum. This will be brought into the curriculum reviews also currently taking place with faculties.

There is also work underway around developing the College Digital and Estate Strategies which has been discussed further in our review on Curriculum Planning (Internal Audit Report: 2021/09). Aligning these strategies to the Development Strategy and business cases into annual operational plans for faculties development will allow for more robust planning

Overall, our discussion with faculty management on current partnership working noted arrangements were reasonable and challenges identified were well understood by management.



## Partnership Working

### Objective 2 – Adequate resources (funding, assets, and staffing) to enable effective working (Continued)

Observation	Risk	Recommendation	Management Response	
<p>Discussions also noted that it is often difficult to know what type of agreement to create with a particular partnership and the ongoing monitoring standards for the College.</p> <p>The City Enterprises Business Development (BD) Team have the expertise in developing partnership working arrangements. There is a dedicated BD Officer (BDO) for each faculty. However, BDO's are inconsistently involved in Faculty Planning Meetings.</p> <p>For example, while some faculties have the BDO on their faculties meetings to support insight to developing partnership working and commercial opportunities, others do not – such as Nautical and STEM, Creative Industries and Hospitality &amp; Leisure.</p>	<p>Inefficiencies while developing agreements for partnership working.</p>	<p><b>R2</b> – The new Partnership Working Agreement process being developed by the Director of Business Partnerships to review and approve partnership working will support the decision making around agreement types by faculty staff.</p> <p>However, Faculty management meetings should be attended by their dedicated BDO to support the formation of partnership working and support in communicating lessons learned around good practice.</p>	<p><b>Actions:</b></p> <ol style="list-style-type: none"> <li>1. Partnership model to be reviewed by Process and Procedural Review Group for approval.</li> <li>2. Liaise with Deans to ensure participation of BDOs in Faculty Management Meetings.</li> </ol> <p><b>To be actioned by:</b> Vice Principal Corporate Development &amp; Innovation</p> <p><b>No later than:</b></p> <ol style="list-style-type: none"> <li>1. Presented to PPR at its next meeting on 3 March 2022.</li> <li>2. 31 December 2021</li> </ol>	
			<p><b>Grade</b></p>	<p><b>3</b></p>





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