

Board of Management Audit & Assurance Committee

Date of Meeting	Tuesday 23 November 2021
Paper No.	AAC2-L
Agenda Item	5.6
Subject of Paper	Internal Audit Annual Report 2020-21
FOISA Status	Disclosable
Primary Contact	Henderson Loggie
Date of production	November 2021
Action	For Discussion

Recommendations

The Committee is asked to consider the report.

1. Purpose of report

The purpose of this report is to provide the Committee with a summary of all the internal audit work carried out on behalf of the College during 2020-21.

2. Context and Discussion

Henderson Loggie have reviewed the control policies and procedures employed by City of Glasgow College to manage risks in business areas identified by management set out in the 2020-21 Annual Internal Audit Plan approved by the Audit and Assurance Committee. This report is made solely in relation to those business areas and risks reviewed in the year and does not relate to any of the other operations of the organisation.

The Committee has reviewed each of the audit reports noted within the annual report. However, the Committee should give particular attention to the Auditors Opinion which states:

'In our opinion, the College has adequate and effective arrangements for risk management, control, and governance. Proper arrangements are in place to promote and secure Value for Money. This opinion has been arrived at taking into consideration the work we have undertaken during 2020/21, and since our original appointment'.

3. Impact and implications

Refer to internal audit report.

City of Glasgow College

Annual Report to the Board and the Principal on the Provision of Internal Audit Services for 2020/21

Internal Audit report No: 2021/12

Draft issued: 17 November 2021

Final issued: 18 November 2021



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Annual Report and Opinion

Introduction

- 1.1 We were appointed as Internal Auditors of City of Glasgow College ('the College') for the period from 1 August 2016 to 31 July 2020 with an option available to the College to extend for a further year. This report summarises the internal audit work performed during 2020/21.
- 1.2 An Audit Needs Assessment and Strategic Plan for 2016 to 2020 (internal audit report 2017/01, issued in September 2016) was developed. This Strategic Plan has now ended. As discussed at the September 2020 meeting of the Audit and Assurance Committee the decision was taken to invoke the one-year extension option which was built into the internal audit contract. It was agreed with the Vice Principal Corporate Services that a one-year plan for 2020/21 would be developed based on the key risks on the College's Strategic Risk Register and considering previous internal audit coverage. The topics to be covered in 2020/21 were agreed by the Audit and Assurance Committee at the December 2020.
- 1.3 The work undertaken in the year followed that set out in the Strategic Plan for 2020/21 with the exception of the deferral of the Fraud Prevention, Detection and Response review into the annual plan for 2021/22.
- 1.4 The reports submitted during 2020/21 are listed in Section 2 of this report and a summary of results and conclusions from each finalised assignment is given at Section 3.
- 1.5 An analysis of time spent against budget is shown at Section 4.
- 1.6 The College has responsibility for maintaining an effective internal audit activity. You have engaged us to provide an independent, risk-based assurance and consultancy internal audit service. To help you assess that you are maintaining an effective internal audit activity we:
 - Confirm our independence;
 - Provide information about the year's activity and the work planned for next year in this report; and
 - Provide quality assurance through self-assessment and independent external review of our methodology and operating practices.



Public Sector Internal Audit Standards (PSIAS) Reporting Requirements

1.7 Self-assessment is undertaken through:

- Our continuous improvement approach to our service. We will discuss any new developments with management throughout the year;
- Ensuring compliance with best professional practice, in particular the PSIAS;
- Annual confirmation from all staff that they comply with required ethical standards and remain independent of clients;
- Internal review of each assignment to confirm application of our methodology which is summarised in our internal audit manual; and
- Annual completion of a checklist to confirm our PSIAS compliance. This is undertaken annually.

1.8 External assessment is built into our firm-wide quality assurance procedures. Annual quality reviews are conducted to confirm our continuing achievement of this quality. The independent review conducted in March 2019 included our internal audit service. This was a comprehensive independent review of our internal audit function, as required every five years by PSIAS. Overall, the review confirmed that the firm's policies and procedures relating to internal audit were compliant with the PSIAS in all material respects.

1.9 The results of our annual self-assessment, conducted in May 2021, allow us to confirm that our service is independent of the College and complies with the PSIAS.

Significant Issues

1.10 All of our internal audit work conducted in 2020/21 assessed systems as 'Good' or 'Satisfactory', or provided an unqualified audit opinion on College returns, and there were therefore no significant issues identifying major internal control weaknesses arising from our internal audit work in these areas. In general, procedures were operating well in the areas selected, but a few areas for further strengthening were identified and action plans have been agreed to address these issues.

Opinion

1.12 In our opinion, the College has adequate and effective arrangements for risk management, control, and governance. Proper arrangements are in place to promote and secure Value for Money. This opinion has been arrived at taking into consideration the work we have undertaken during 2020/21, and since our original appointment.



Reports submitted

Number	Title	Overall Grade	Recommendations	Priority 1	Priority 2	Priority 3
2021/01	Annual Plan	N/A	N/A	N/A	N/A	N/A
2021/02	General Ledger	Good	1	-	-	1
2021/03	Debtors and Income	Good	2	-	-	2
2021/04	Equality & Diversity	Satisfactory	3	-	-	3
2021/05	IT Network Arrangements / Security	Satisfactory	7	-	-	7
2021/06	Follow Up Reviews	N/A	20 of the 51 recommendations considered required further action.	-	4	16
2021/07	2019/20 Student Activity Data	N/A	1	-	-	1
2021/08	Capital Projects	Good	2	-	-	2
2021/09	Curriculum Planning	Good	2	-	-	2
2021/10	Partnership Working	Good	2	-	-	2
2021/11	Business Engagement	Good	1	-	-	1

Overall 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.



Reports submitted (Continued)

Recommendation grades are defined as follows:

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



Summary of Results and Conclusions

2021/01 – Internal Audit Annual Plan 2020/21

Final Issued – February 2021

The purpose of this document was to present for consideration by management and the Audit and Assurance Committee the annual operating plan for the year ended 31 July 2021. As discussed at the September 2020 meeting of the Audit and Assurance Committee the decision has been taken to invoke the one-year extension option which was built into the internal audit contract. It has been agreed with the Vice Principal Corporate Services that a one-year plan for 2020/21 would be developed based on the key risks on the College's Strategic Risk Register and taking into account previous internal audit coverage. The topics to be covered in 2020/21 were agreed by the Audit and Assurance Committee at the December 2020 meeting as part of the consideration of the Annual Internal Audit Report for 2019/20.

The outline scope and objectives for each audit assignment to be undertaken during 2020/21, together with the proposed audit approach were arrived at following discussion with members of the College Executive Team. The outline scopes were finalised after discussion with responsible managers in each audit area.



2021/02 – General Ledger

The scope of this audit was to review the College’s processes for month-end financial closure; year-end financial closure; updating of user access rights on the financial system; and core financial controls for validating the financial records of the College.

The table opposite notes the objectives for this review and records the results.

Strengths

- There are documented procedures in place detailing the required steps to be taken as part of the GL close down and financial reporting process;
- The documented procedures are supported by checklists which document the key tasks involved in the production of month-end reports and year-end accounts;
- Access to the chart of accounts is restricted to the management team within Finance;
- Access to the chart of accounts is restricted to the management team within Finance;
- User access to the Finance system is controlled by the bluQube system administrator, with a process in place for the authorisation, creation and deletion of user accounts;
- The system access controls ensure that only approved staff within the Finance team can create or amend the GL accounts and cost centre codes in place;
- There is a defined month end process in place to review the financial transactions which encompasses:
 - Journal processing including payroll and correcting items;
 - Major control accounts are reconciled on a monthly basis with reconciling items being investigated and resolved;
 - Reconciliation of the cash book and college’s bank accounts with the recorded income and expenditure;
 - Preparation of and reconciliation of the trial balances; and
 - Creation of the Profit & Loss and Balance Sheet reports;

Final Issued – May 2021

Overall grade: Good

The objective of this audit was to obtain reasonable assurance that:	Grade
1. The chart of accounts, coding structure, reports and procedures are adequate in respect of production of the College’s management accounts and annual financial statements.	Good
2. Key controls are in place over the trial balance structure, control account reconciliations and journal entries.	Good
3. There is adequate control and reconciliation of the main feeder systems to the General Ledger.	Good
Overall Level of Assurance	Good



2021/02 – General Ledger (Continued)

Strengths (Continued)

- An adequate process is in place for the transfer of financial information from feeder systems to the GL; and
- On completion of the month end process, the College's Finance team produces and issues the monthly financial reports (and at year end the figures for the annual financial statements) from the GL.

Weaknesses / Opportunities for Improvement

- The audit did not identify any control weaknesses, but we have identified the following area where process improvements may be achieved:
 - The routine approach in place for posting journals is currently a manual process. Introduction of an automated approach for the processing of journals could allow the College to realise operational benefits, including a more streamlined and efficient process and a reduction in the risk of input errors to the GL.



2021/03 – Debtors and Income

This audit focused on the systems of internal control in place within the College in relation to commercial income generating activities; education contracts; and other income. In addition, debt management and recovery procedures were also reviewed.

The table opposite notes the objectives for this review and records the results.

Strengths

- Policies and procedures are in place to support the prompt and accurate raising of sales invoices for monies due to the College;
- Regular reconciliation of SAAS funding awards is undertaken to identify monies due to the College;
- The use of a hotel booking system to manage the student accommodation income with daily reconciliation of monies received with the College’s Symmetry finance system;
- The College has in place a defined approach for credit notes and College course refunds;
- All credit notes are required to be approved before they are processed;
- The College course refunds process is controlled centrally within Finance;
- All sales invoices have payment terms of 30 days and failure to make payments within this timescale results in the payment being included in the overdue payment reports;
- Debt recovery action is taken when accounts become overdue;
- Unpaid accounts over 90 days are referred to the College’s appointed debt collection agency to pursue outstanding amounts;
- There is a defined approach in place for writing off bad debts; and
- In the current academic year, the College has in place a provision (£800k) to absorb any identified bad debts.

Final Issued – September 2021 Overall grade: Good

The specific objectives of this audit were to obtain reasonable assurance that:	Grade
1. Invoices / claims are raised promptly in respect of income due to the College.	Good
2. Credit notes are appropriately authorised before issue.	Good
3. Adequate debt management and recovery procedures are in place and are consistently followed in practice.	Good
Overall Level of Assurance	Good



2021/03 – Debtors and Income (Continued)

Weaknesses / Opportunities for Improvement

- While the audit did not identify any control weaknesses, the process would be further enhanced if the following areas could be addressed:
 - Sales invoices - it was evident from our review that invoice requests are being raised and submitted to Finance to raise the invoice on the sales ledger. This entails a degree of manual 'double handling', thus reducing the efficiency of the process overall; and
 - There is an absence of a single guidance/procedure in place for the credit note process (including authorisation protocols and the required approval limits).



2021/04 – Equality & Diversity

Final Issued – September 2021 Overall grade: Satisfactory

This audit focused on the systems of internal control in place within the College in relation to equality and diversity arrangements.

The table opposite notes the objectives for this review and records the results.

Strengths

- The College has established arrangements which are in line with the Equalities and Human Rights Commission guidance for Further Education (2015) and have established an Equality, Diversity and Inclusion Policy (2018) and admission procedures which are designed to ensure equality in access to education, services, facilities and by potential students from all groups in society.
- There is dedicated website content for equality, diversity and inclusion which sets out the Equality Act 2010 and duties of the College, policies, equality impact assessments (EQIAs), spiritual care, embracing diversity competition, reporting, age, gender identity and reassignment support, marriage and civil partnership support, disability, pregnancy and maternity support, race, religion and belief, sex, and sexual orientation.
- Staff complete equality and diversity training as part of their induction, ensuring that they understand the College’s policy, the meaning of equality, and their legal obligations.
- There is dedicated resource through the ED&I team and reports are generated on equality mainstreaming to monitor the implementation of actions and the ongoing effectiveness of the Equalities Policy.
- Performance management systems address equality and non-discrimination.
- The College maintains a complaints procedure that is readily available online to both students and to members of College staff.
- The College has established a draft Equality Action Plan detailing further enhancements to current arrangements and PSED reports are frequently provided to the Student Staffing and Equalities Committee, who met in line with their terms of reference despite national restrictions brought by COVID-19 pandemic.

The objective of this audit was to obtain reasonable assurance that:	Grade
1. The College is complying with its legal duties under: <ul style="list-style-type: none"> • Section 149 of the Equality Act 2010; and • The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 as amended. 	Satisfactory
Overall Level of Assurance	Satisfactory



2021/04 – Equality & Diversity (Continued)

Strengths (Continued)

- Annual mainstreaming reporting allows the review of practices to ensure that they do not unjustifiably disadvantage groups.
- The College consults students, staff and organisations representing groups who share protected characteristics about the quality and equality of the education, benefits, facilities, and service and how they could be made more inclusive. This work is led by the Students Association and is ongoing through the annual student survey and feedback mechanisms, and
- The Draft Equality Action Plan aligned to the College Equality Outcomes that adopt specific, measurable, attainable, realistic, and time-bound (SMART) good practice. The Equality Action Plan was under development at the time of our review and was due to be approved by the College Secretary/Director of Planning who will ensure actions identified are also SMART.

Weaknesses

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

- The College's Equality Act 2011 Summary of Duties (not dated) and Glossary of Terms (2017) published on the College website have not been updated in line with good version control. We were advised that this is due to changes in the resources deployed and management reprioritisation during the COVID-19 pandemic. There is risk those documents may be out of date in that they may not reflect current EDI language within the College Glossary of Terms.
- The version of the Student Bullying and Harassment Policy (May 2014) and Student Disciplinary Policy (2014) published on the College website requires to be updated. However, there is also no separate policy around what constitutes cyber bullying or where students should seek help within the College or external agencies. Work is underway by management to update these policies and planning is in place to include a section on Cyber Bullying support within the revised Student Bullying and Harassment Policy.



2021/04 – Equality & Diversity (Continued)

Weaknesses (Continued)

- The Equality Mainstreaming report 2020/21 details that since 2019, EQIAs have been completed on policies including HR, Finance, IT and COVID-19 related policies. However, while there are 26 College policies published on the website, there are only EQIAs published for 6 policies. Inspection of the EQIAs noted they were out of date or no longer applicable to current list of policies. Management reported that EQIAs have not been developed for policies recently updated, such as for the Dignity at Work Policy, Toil Policy, and Home Working Guide. The website is now under review by the ED&I Team and Marketing and management require adding EQIAs to the Policy and Procedure Tracker. While the Draft Equality Action Plan has actions to update EQIAs in line with the policy review cycle, management should be reminded that responsibility for EQIA completion lies with the Policy and procedure owners, with support from the ED&I team.



2021/05 – IT Network Arrangements / Security

This audit considered the systems in place for the management of IT network arrangements and overall system security against best practice provided by NCSC 10 Steps to Cyber Security guidance.

The table opposite notes the objectives for this review and records the results.

Strengths

Throughout our review we observed examples of good practice and we welcomed the willingness of the College staff to assist our review and to seek ways to improve security within the College. We have concluded that, overall, the College exhibits a strong awareness of information / cyber security risks and impacts, and that the control environment demonstrates good practice with many of the expected cyber security controls, for an organisation of this size and complexity, as shown within the graphic at Appendix I of this report. These include:

- A risk management regime has been established, which includes identifying cyber security as key strategic and operational risks, and there are structures in place which act as appropriate bodies for evaluating and monitoring information security risks within the College.
- Hardware and software inventories have been created along with processes and tools for asset identification.
- Processes are in place for applying updates and patches to all College managed devices which connect to the College network.
- The IT architecture protects the College network through use of firewalls and direct connections to untrusted external services and protects internal IP addresses.
- Management of user accounts is linked to the College’s starter, leaver and change of role procedures.
- Administrator access to network components is carried out over dedicated network.
- Data in transit is protected through encryption and secure communication channels.
- Standard baseline security builds have been established for all College managed devices to ensure the consistency of security configurations.

Final Issued – November 2021 Overall grade: Satisfactory

The objective of this audit was to obtain reasonable assurance that:	Grade
1. Review the College’s current position with regard to information and cyber security to advise on areas that should be addressed in line with the latest guidance produced by the NCSC. This also included a high-level review of the College’s ICT Business Continuity and Disaster Recovery arrangements.	Satisfactory
Overall Level of Assurance	Satisfactory



2021/05 – IT Network Arrangements / Security (Continued)

Strengths (Continued)

- Mandatory cyber security awareness training is in place for all staff and processes are in place to test and monitor the effectiveness of training. Training is supported through regular communication of good practice to promote a positive cyber security culture.
- Network hosts and endpoints are protected by an antivirus solution, which automatically scans for malware.

Weaknesses

Using the latest guidance available from the NCSC we identified several weaknesses across the ICT environment and noted potential for cyber-attack and data loss through several avenues. The implementation of the recommendations in this report will reduce the College's current risk position; reinforce the College's preparations for Cyber Essentials certification and will enhance the College's ability to manage IT security risks on an on-going basis.



Annual Internal Audit Report 2020/21

2021/06 – Follow-Up Reviews (Continued)

Our findings from each of the follow-up reviews has been summarised below:

From Original Reports			From Follow-Up Work Performed				
Area	Rec. Priority	Number Agreed	Fully Implemented	Partially Implemented	Little or No Progress Made	Not Past Agreed Completion Date	Considered But Not Implemented
2020/06 IT System Development	1	-	-	-	-	-	-
	2	1	-	1	-	-	-
	3	-	-	-	-	-	-
Total		1	-	1	-	-	-
2020/07 External Communications and Marketing	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	2	-	2	-	-	-
Total		2	-	2	-	-	-
2020/08 Recruitment, Retention and Staff Development	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	1	-	1	-	-	-
Total		1	-	1	-	-	-
2020/09 Budgetary Control	1	-	-	-	-	-	-
	2	1	1	-	-	-	-
	3	3	1	2	-	-	-
Total		4	2	2	-	-	-
2020/10 Asset Management	1	-	-	-	-	-	-
	2	1	1	-	-	-	-
	3	4	2	2	-	-	-
Total		5	3	2	-	-	-
2020/11 Leadership Recognition	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	4	-	4	-	-	-
Total		4	-	4	-	-	-
2020/13 Follow Up Reviews 2019/20	1	-	-	-	-	-	-
	2	13	10	3	-	-	-
	3	20	13	5	-	-	2
Total		33	23	8	-	-	2
2021/02 General Ledger	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	1	1	-	-	-	-
Total		1	1	-	-	-	-
Grand Total		51	29	20	-	-	2

Annual Internal Audit Report 2020/21

The grades, as detailed below, denote the level of importance that should have been given to each recommendation within the internal audit reports:

Gradings for recommendations from Henderson Loggie internal audit reports:

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

2021/07 – Student Activity Data 2020/21

Final Issued – November 2021

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.

Our report was submitted to the SFC on 1 November 2021. 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 misstatement.



2021/08 – Capital Projects

The scope of the audit was to review and test the policies and procedures for the planning, control and monitoring of capital projects.

The table opposite notes each separate objective for this review and records the results.

Strengths

- The College sets out its process for assessing capital expenditure needs within its Financial Regulations (2019). Capital expenditure is assessed annually based on the relevant equipment life cycle in order to maintain the value of its fixed assets;
- There are established governance arrangements around the assessment of capital investment needs for the year ahead, which until recently have been low in both number and value due to the development of the new campus. Expenditure and investment needs are submitted to the Finance & Physical Resources Committee (FPRC). The FPRC also approve any applications to the College Foundation for any further requests for capital funding;
- Management have assessed and developed a new programme management office (PMO) and business case template which allows assessment of the capital needs around proposed capital works. As the PMO arrangements develop, so will the maturity around assessing the capital needs of the College;
- Currently, management of the risk associated with capital investment is led by the relevant budget holder. It is the responsibility of budget holders to maintain the capital expenditure in line with their agreed budget. Arrangements for any virement between capital expenditure is clearly documented in the Financial Regulations;
- The development of the revised Estates Strategy and Estates Masterplan, and the approval of the College’s Digital Strategy, will allow further risks and opportunities around medium to longer term capital planning to be identified and considered;
- The review of the procurement exercise for the two capital outlays we sample tested was in line with good practice; and
- Progress of actual capital spend against allocated capital funding is monitored through monthly management accounts submitted to the ELT (Executive Leadership Team), SMT (Senior Management Team), FPRC and (in summarised format) to the Board of Management

Final Issued – November 2021 Overall grade: Good

The objective of this audit was to obtain reasonable assurance that:	Grade
1. The capital investment appraisal process, including the information provided to the Board of Management and committees for decision making purposes is robust.	Satisfactory
2. Risk management and contingency planning arrangements are in place for capital projects.	Good
3. The selection and management of consultants and contractors, including the tendering process, is conducted in line with the College’s procurement procedures.	Good
4. Progress made on projects, and expenditure against budget, is monitored by management and Board committees.	Good
Overall Level of Assurance	Good



2021/08 – Capital Projects (Continued)

Weaknesses

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

- The medium to longer term capital needs should be assessed and defined in a medium to long term capital programme plan. This should consider the implications arising from the Digital Strategy and the Estates Masterplan currently being developed and support proactive investment solutions. The risks associated with future investment requirements of College self-funded equipment or estates needs should also be assessed and documented in the College's Risk Register as part of this annual process.
- The Business Case template should be enhanced to capture further detail on any wider supply chain risks and associated costs identified through option appraisals. The business case should be reviewed by the PMO and by the College's Procurement Service prior to final submission to SMT and ELT.



2021/09 – Curriculum Planning

The scope of the audit was to consider the key risks in relation to the College’s curriculum.

The table opposite notes each separate objective for this review and records the results.

Strengths

- The College has set its ambitions to meet local and national needs in its Strategic Plan 2021-2030 that was approved by the Board of Management in June 2021.
- Curriculum planning within the four Faculties noted focus on learning pathways, articulation, and employability within the region. Faculty collaboration with Skills Development Scotland (SDS) and industry partners are utilised effectively to develop courses that support career pathways directly into industry.
- There is diversification of the curriculum with a balance between further education, high education, and flexible short courses to support upskilling and reskilling agenda for industry. This is supported by a dedicated Business Engagement Team who support employer’s utilisation of funding available from the SFC.
- There is an annual portfolio review process that is well established and involved faculty review of the curriculum offering – what is working and what is not working just as well. In 2021/22, a new performance and quality cycle is being introduced that will support his assessment and help the transparency around curriculum choices.
- There is a process for proposing new course via Early Notification Forms that are provided to the Faculty Board, Academic Board, and the Learning & Teaching (L&T) Committee.
- Despite the challenges during the COVID-19 pandemic, faculties and management worked at pace to identify solutions or alternative ways of working and progressing courses digitally where possible. Lessons learned over the first year of the pandemic were brought into 2021/22 curriculum planning with blended working models developed to support decision making for academic staff when designing the delivery of course material. The College has access to a Blended Learning Fund to support the development of online content. They also have implemented a new Virtual Learning Environment in August 2021 that will improve the delivery of material to students.

Final Issued – November 2021 Overall grade: Good

The objective of this audit was to obtain reasonable assurance that:	Grade
1. The core College curriculum is aligned with national priorities and the needs of regional industry, employers and individual learners.	Good
2. There is a process in place to review and refresh existing programmes on a regular basis	Good
3. Adequate controls are in place over the development of new programmes including the preparation of a business case, costing and pricing	Good
4. The College has exploited the potential of new technology in order to widen access to the curriculum and enhance the learner experience	Good
5. The curriculum planning process takes sufficient cognisance of the College’s share of the Region’s Credits target	Good
6. There are strong links between the curriculum planning process and workforce planning and budgeting	Good
Overall Level of Assurance	Good



2021/09 – Curriculum Planning (Continued)

Strengths (Continued)

- The digital offerings and future needs of the College are being assessed as part of the Digital Strategy 2020-2030 that will see the College develop a “Digital campus” reflective of its physical campus. The Digital Transformation Group will support strategic decision making around curriculum needs and the wider implementation of the Digital Strategy.
- Curriculum planning is tracked by the Student Records Team on the Master Student Recruitment Model. Review of the Student Recruitment Model for 2021/22 noted it listed all courses, enrolment target, credit target, credit projections their status, tuition fees, waiver grants projected, notional fee income targets and projections resource. This model in turn feeds into workforce planning and the annual budget planning process.

Enhancements

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

- The one new course proposal completed during 2020/21 took several months (almost one year) to be formally approved by the L&T Committee. This was mainly due to resource information not being complete on the original proposal. The Faculty Board should ensure that all resource costings have been completed prior to submission to the Academic Board and support provided to Faculty leads when developing proposal to ensure that the final proposals to Committee are complete.
- There is absence of a management group that will assesses the physical estate and interdependencies from curriculum planning in the same way that the Digital Transformation Group reviews the digital requirements around the curriculum. Consideration should be made to expand the remit of the Digital Transformation Group to include the strategic utilisation of the physical estate.



2021/10 – Partnership Working

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 opposite notes each separate objective for this review and records the results.

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.

Final Issued – November 2021 Overall grade: Good

The objective of this audit was to obtain reasonable assurance that:	Grade
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"> ◆ 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. 	Good
Overall Level of Assurance	Good



2021/10 – Partnership Working (Continued)

Strengths (Continued)

- There are 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.

Weaknesses

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.



2021/11 – Business Engagement

The scope of this audit was to review the College activity in relation to business engagement covering Industry Academies, the Industry Academy Model, and the wider engagement with industries by the Business Development Team, Flexible Workforce Development Fund, and the faculties. This was to follow on from the work carried out as part of our review of Business Development pre-reorganisation (Internal Audit Report 2018/04, issued May 2018).

The primary objective of this audit was to establish whether business engagement activities are achieving their objectives in terms of both the student experience and commercial income generation.

The table opposite notes each separate objective for this review and records the results.

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 regular review of activities by the Board of Management and its committees. 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 were under development. These will fit into new operational plans for faculties that were under development for 2022/23 financial year planning.
- Financial targets are set by Finance annually as part of the annual curriculum planning and budget planning process. This is based on details on the Student Recruitment Plan (SRP). Commercial income from commercial and international activity is reported to the Development Committee by the Vice Principal of Corporate Development & Innovation as a standing agenda item.

Final Issued – November 2021 Overall grade: Good

The objective of this audit was to obtain reasonable assurance that:	Grade
1. An effective strategic and operational planning process has been established for business engagement, linking into other key strategies of the College	Good
2. An appropriate management and support structure has been put in place to identify and promote opportunities for further growth in business engagement activities	Good
3. Key risks are identified and mitigated	Satisfactory
4. Management information, including financial information and student related key performance indicators against targets, is adequate and easily accessible to all relevant staff	Good
5. There is regular review of activities by the Board of Management and its committees.	Good
Overall Level of Assurance	Good



2021/11 – Business Engagement (Continued)

Strengths (Continued)

- Within the City Enterprises Business Development Team there are trackers used that feed into management dashboard reporting on the status of commercial activity and Flexible Working Development Fund (FWDF).
- There is appropriate management and support structure has been put in place to identify and promote opportunities for further growth in business engagement activities. The Business and International Operational Plan has set targets around areas of growth that will be tracked by the Director of Business & International Partnerships.
- There is a robust management structure within the City Enterprises Business Development Team for supporting faculties and clients when developing courses.
- Courses have a full scrutiny process established and consistently followed by the City Enterprises Business Development Team to ensure that they are income generating, due diligence is completed on clients to ensure they align to the values of the College and Corporate Strategy.
- Student experience feedback from commercial and FWDF course are made at the time of the course and reviewed as part of the faculty quality reviews and Business Development Team on lessons learned.

Enhancements

Our overall objective was to ascertain whether business engagement activities are achieving their objectives in terms of both the student experience and commercial income generation. At a granular level, income and student (and employer) feedback are essential for the College to understand its offering is fit for purpose and future fit. The new Development Strategy and supporting operational plan will formalise arrangements in a way that key outcomes and targets will be monitored more closely across the College.

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

- There is no operational risk register for activity related to the Development Strategy 2021-2030, that would highlight the risks around achieving its aims and individual objectives.



Time Spent - Actual v budget

	Report number	Planned days	Actual days feed	Days to fee at Nov 2021	Days to spend / WIP	Variance
Reputation						
Equality and Diversity	2021/04	4	4	-	-	-
Student Experience						
Curriculum Planning	2021/09	5	-	5	-	-
Estates and Facilities						
Capital projects	2021/08	5	-	5	-	-
Financial Issues						
General Ledger	2021/02	5	5	-	-	-
Debtors / Income	2021/03	5	5	-	-	-
Fraud Prevention, Detection and Response	N/A	5	-	-	5	5
Commercial Issues						
Business Engagement	2021/11	5	-	5	-	-
Organisational Issues						
Partnership Working	2021/10	5	-	5	-	-
Information and IT						
IT network arrangements / security	2021/05	5	5	-	-	-
Other Audit Activities						
Credits Audit	2021/07	8	-	8	-	-
Management and Planning	2021/01	5	3	2	-	-
Follow-up reviews	2021/06	4	4	-	-	-
Total		61	26	30	5	5
		=====	=====	=====	=====	=====

Operational Plan for 2021/22

- 5.1 Following our appointment as internal auditors for the period from 1 August 2016 to 31 July 2020 we prepared an Audit Needs Assessment and Strategic Plan for (2016 to 2020) (internal audit report 2017/01, issued in September 2016). This Strategic Plan has now ended. As discussed at the September 2020 meeting of the Audit and Assurance Committee the decision was taken to invoke the one-year extension option which was built into the internal audit contract. It was agreed with the Vice Principal Corporate Services that a one-year plan for 2020/21 would be developed based on the key risks on the College's Strategic Risk Register and considering previous internal audit coverage.
- 5.2 Following our reappointment as internal auditors for the period from 2021/22 to 2023/24 we will now undertake an Audit Needs Assessment (ANA) and draft a three year Strategic Plan for Senior Leadership Team review in December 2021. We wish to proposal that the Audit & Assurance Committee convene for a one-hour meeting in January 2022 to review the draft Internal Audit Three Year Plan. This will allow us to progress with in the new annual plan in advance of formal approved at the March 2022 Audit and Assurance Committee meeting.

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