CITY OF GLASGOW COLLEGE

Board of Management

Audit & Assurance Committee

Date of Meeting	**Tuesday 24 May 2022**
Paper No.	**AAC5-F**
Agenda Item	**5.4.1**
Subject of Paper	**Internal Audit Report – Corporate Planning**
FOISA Status	**Disclosable**
Primary Contact	**Henderson Loggie**
Date of production	**18 May 2022**
Action	**For Discussion and Decision**

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 Corporate Planning 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.

Appendix – Internal Audit Report – Corporate Planning

City of Glasgow College

Corporate Planning

Internal Audit report No: 2022/04

Draft issued: 18 May 2022

Final issued: 18 May 2022

Contents

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:

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.

Action Grades

Priority 1	Fundamental issue subjecting the organisations to material risk which requires to be addressed by management and the Audit and Assurance Committee as a matter of urgency.
Priority 2	Issue subjecting the organisations to significant risk, and which should be addressed by management as a priority.
Priority 3	Matters subjecting the organisations to minor risk or which, if addressed, will enhance efficiency and effectiveness.

Management Summary

Overall Level of Assurance

Good	System meets control objectives.

Risk Assessment

This review focused on the controls in place to mitigate the following risks on the City of Glasgow College ('the College') Risk Register as at 24 February 2022:

- Risk 4 – Failure to realise planned benefits of Regionalisation

Background

As part of the Internal Audit programme at the College for 2021/22 we carried out a review of the College's corporate planning arrangements. The Audit Needs Assessment, agreed with management and the Audit and Assurance Committee in March 2022, 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.

A comprehensive rewrite of the College's Strategic Plan was finalised in 2021. In 2019, prior to the COVID-19 pandemic, the intention was to conduct a refresh exercise, but the decision was taken to conduct a more comprehensive exercise to revisit the Strategic Plan and the new Strategic Plan 2021 to 2030 was approved by the Board in June 2021. This document is viewed by senior management as the work of the Board in setting out the key priorities for the College as the organisation transitions into the post pandemic landscape.

As part of the review of the Strategic Plan all teams were asked whether the eight existing strategic priorities, in the previous iteration of the strategic plan, were still valid and it was agreed that the eight fundamental strategic priorities for the College had not changed. The new Strategic Plan 2021 to 2030 contains a Strategic Map which sets out the eight priorities and describes the strategic aims which underpin each of these eight priorities.

Scope, Objectives and Overall Findings

The scope of this audit was to consider whether the College's planning process is working effectively, particularly in relation to the development of the Strategic Plan and the linkage between the Strategic Plan, the Regional Outcome Agreement, and the detailed operational plans.
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The table below notes each separate objective for this review and records the results:

Objective	Findings				Actions already in progress
The objective of our audit was to ensure that:		**1**	**2**	**3**	
		No. of Agreed Actions			
1. The corporate planning process is adequately planned and challenged for robustness	**Satisfactory**	0	0	1	
2. Linkages between the Strategic Plan, the Regional Outcome Agreement and operational plans are clearly defined and communicated	**Good**	0	0	0	✓
3. Operational plans are robust and include detailed prioritised action plans	**Satisfactory**	0	0	0	✓
4. Delivery of the Corporate Plan and the supporting key strategies, plans and programmes are appropriately monitored	**Satisfactory**	0	0	1	✓
5. There is effective linkage between planning and financial budgeting at all levels	**Good**	0	0	1	
Overall Level of Assurance	**Good**	**0** 　 **0** 　 **3** System meets control objectives.			

Audit Approach

Through discussions with key staff, we documented the corporate planning process, covering the setting of the strategic vision, values and priorities. We interviewed the Depute Principal and Chief Operating Officer, the Vice Principal Corporate Services, the Executive Director Human Resources, the College Secretary / Planning, the Dean of the Faculty of Education and Humanities, the Director of Student Experience, the Director of Excellence and the Director of IT. We also examined the way in which the new Strategic Plan connects upwards to national priorities and downwards into operational planning; budgeting; implementation; monitoring and control.

Summary of Main Findings

Strengths

- A design team were in place to drive forward the planning process, with the Strategic Map setting out the framework for the development of the overarching strategic priorities and demonstrating how these priorities linked into national and regional priorities;
- Our discussions with senior managers involved in the process confirmed that this was a useful, structured and inclusive process which allowed appropriate input from staff at various levels;
- We were advised that student input to the strategic planning process was very positive, with active engagement throughout the development process. This was seen as a crucial element of the planning process and has strengthened linkages between the College's Strategic Plan and the Student Association Strategic Plan, which allows greater continuity in focus and priorities;
- Board input to the new Strategic Plan was driven through focused Board sessions which provided the opportunity for challenge on the way in which the strategic priorities were expressed and also challenged the guiding principles set out for the College and the relevance of the eight strategic priorities looking forward to a post-pandemic environment;
- The Planning Cycle set out within the Strategic Plan demonstrates the central role of the Board of Management in considering the strategic context in which the College is operating; the positioning of the College within this environment; and any changes required to the strategic priorities to react to changes in the environment;
- The importance of partnership working in delivering the local, regional and national priorities was also considered in developing the Strategic Plan, with the key messages from the Cumberford-Little Report providing an important touchstone for the development of the future aspirations of the College in a regional, national and international context;
- The Strategic Plan demonstrates clear linkages with both the Regional Outcome Agreement and the Cumberford-Little Report;
- At the time of our audit fieldwork, new operational planning guidance had been developed for 2022/23 and was about to be issued. The timeline set out for the completion of the operational planning templates is a challenging one, with the aim to have draft operational plans returned by early June 2022;
- Our review of the operational plans for 2021/22 demonstrated that these are comprehensive documents with a significant number of recommendations which require to be delivered;
- The existing performance dashboard has been retained, which allows a daily view of performance on key aspects of the College. Work is underway to develop the Power BI software to allow access to more granular performance information with enhanced reporting capability for staff at all levels. This will be supported by a new data warehouse which is currently being developed, which will supersede the current Dynistics dashboard;
- For key transformational change projects, such as the Canvas project, specific governance arrangements are put in place to allow oversight of delivery the approved business plan;
- At an operational level, faculties and directorates have set out key success measures and developed operational objectives and individual tasks. These are tracked quarterly by the performance team and will also be subject to review by the Compliance Auditor;
- We noted that performance metrics have been included within the Student Academic Experience strategy document but that this is not uniform across all five of the strategies which support the Strategic Plan 2021 to 2030. We were advised that work to refresh the balanced scorecard is ongoing and the development of key performance indicators for each of the five strategies will allow a new suite of high level College wide performance measures to be in place in advance of the 2022/23 academic year;
- The financial challenges facing the College have been a central element of the development of the Strategic Plan and the supporting strategies; and
- Consideration of the financial plans by the Board of Management and the Finance and Resources Committee forms an integral part of the operational planning process as set out in the latest Operational Planning guidance.

Weaknesses

- Student and staff input was pivotal in the development of the Strategic Plan and in helping students and staff to understand how they could contribute to the delivery of the College's strategic priorities. Although staff input was comprehensive this largely relied on feedback from individual teams and did not involve direct engagement with trade unions;
- Our review of the operational plans for 2021/22 demonstrated that these are comprehensive documents with a significant number of recommendations which require to be delivered. In some cases, there are multiple actions aligned to individual strategic aims. However, target completion dates were not always set and responsibility for delivery was not always clear. In most cases examined the actions were not prioritised and therefore it was not always possible to distinguish the business critical actions from less important actions. These issues have been recognised in developing the new operational planning guidance and there will be a specific focus on ensuring that actions are clearly prioritised and that the target completion dates and responsibility for delivery are clearly defined to improve accountability moving forward;
- We noted that performance metrics have been included within the Student Academic Experience strategy document but that this is not uniform across all five of the strategies which support the Strategic Plan 2021 to 2030. We were advised that work to refresh the balanced scorecard is ongoing and the development of key performance indicators for each of the five strategies will allow a new suite of high level College wide performance measures to be in place in advance of the 2022/23 academic year; and
- The development of the operational plans for 2022/23 will provide the first opportunity to develop a comprehensive understanding of the impact which the financial constraints placed on the College will have on the delivery of strategic and operational objectives. Therefore, there is a need to revisit the existing risk tolerances and risk appetite set out in the risk maps to reflect the issues highlighted around financial pressures arising from the operational planning process.

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 - The corporate planning process is adequately planned and challenged for robustness

The starting point in developing the new Strategic Plan was to ask teams whether the existing eight strategic priorities remained valid. It was confirmed that the fundamental priorities of the college remained constant, recognising that the environment which the College was operating in changed as the COVID-19 pandemic developed as the planning process progressed.

A design team were in place to drive forward the planning process, with the Strategic Map setting out the framework for the development of the overarching strategic priorities and demonstrating how these priorities linked into national and regional priorities.

Our discussions with senior managers involved in the process confirmed that this was a useful, structured and inclusive process which allowed appropriate input from staff at various levels. Key areas where changes were made to the previous iteration of the Strategic Plan were around the digital and sustainability topics.

We were advised that student input to the strategic planning process was very positive, with active engagement throughout the development process. This was seen as a crucial element of the planning process and has strengthened linkages between the College's Strategic Plan and the Student Association Strategic Plan, which allows greater continuity in focus and priorities.

Board input to the new Strategic Plan was driven through focused Board sessions which provided the opportunity for challenge on the way in which the strategic priorities were expressed and also challenged the guiding principles set out for the College and the relevance of the eight strategic priorities looking forward to a post-pandemic environment. Board scrutiny of the underpinning analysis and surveillance of demographic, economic, social, ethical, environmental, technological, international, political and legal factors also ensured that the strategic priorities were not developed in a vacuum.

The Strategic Plan was subject to challenge from staff, students and the Board prior to formal approval. The timescales for development of the new Strategic Plan were impacted by the COVID-19 pandemic but the integrity of the planning process remained intact. Therefore, we are comfortable that this process was sufficiently robust.

Corporate Planning

Objective 1 - The corporate planning process is adequately planned and challenged for robustness (continued)			
Observation	**Risk**	**Recommendation**	**Management Response**
Student and staff input was pivotal in the development of the Strategic Plan and in helping students and staff to understand how they could contribute to the delivery of the College's strategic priorities. Although staff input was comprehensive this largely relied on feedback from individual teams and did not involve direct engagement with trade unions.	Without involvement in the development of the Strategic plan, trade unions may not be fully engaged in the subsequent delivery of the strategic priorities.	**R1** As part of the next iteration of the Strategic Plan, consideration should be given to the involvement of trade unions in a round table forum involving the Board and SMT in order to encourage shared ownership of strategic priorities.	The College has an extremely challenging relationship with the trade unions with regular disputes and strike action most years over the past decade. We will consult and discuss the College strategies and targets incorporating union feedback where appropriate. **To be actioned by:** Depute Principal **No later than:** 31 December 2022

			Grade	3

Corporate Planning

Objective 2 - Linkages between the Strategic Plan, the Regional Outcome Agreement and operational plans are clearly defined and communicated

The Planning Cycle set out within the Strategic Plan demonstrates the central role of the Board of Management in considering the strategic context in which the College is operating; the positioning of the College within this environment; and any changes required to the strategic priorities to react to changes in the environment. This in turn allowed consideration of strategic priorities, strategic aims and strategic objectives, with the latter linking into the operational planning process.

The importance of partnership working in delivering the local, regional and national priorities was also considered in developing the Strategic Plan, with the key messages from the Cumberford-Little Report providing an important touchstone for the development of the future aspirations of the College in a regional, national and international context.

The Annual Report provides an important opportunity to showcase not only the progress made in delivering local, regional and national priorities but also provides a platform for setting out the future role of the College in leading and delivering on the aspirations set out within the Regional Outcome Agreement for the Glasgow Region.

The Strategic Plan demonstrates clear linkages with both the Regional Outcome Agreement and the Cumberford-Little Report.

Delivery of the strategic aims is driven by the five supporting strategies which cover:

- The Student Academic Experience
- People and Culture
- Corporate Development
- Digital
- Sustainability

The development of these five supporting strategies was an integral part of the planning process, with significant input provided by staff and by the Board committees in considering the final strategy documents. These supporting strategies set out the strategic aims which provide the focus for the different teams within the College. Development of these strategies involved facilitated workshops which allowed co-dependencies to be explored by the Executive Leadership Team and factored into the final documents. The

Objective 3 – Operational plans are robust and include detailed prioritised action plans.

Operational planning: Template Guidance notes and a template format were issued in June 2021 to guide the development of operational plans for academic session 2021/22. The template format ensures a direct alignment between Key Operational Objectives and at least one of the eight Strategic Priorities, as well as linking to one of the five related supporting strategies.

An SMT Planning Workshop was delivered in July 2021, which was a practical session with the following objectives:

- To establish a shared understanding of the relationship between the College Strategic Plan and operational planning across the College
- To ensure that all those responsible are familiar with the revised Operational Planning template
- To begin/continue the process of establishing planning interdependencies
- To reinforce the development and approval timetable for operational planning and performance management

This session included time for Deans / Directors to meet separately with their teams to discuss operational planning.

At the time of our audit fieldwork, new operational planning guidance had been developed for 2022/23 and was about to be issued. The timeline set out for the completion of the operational planning templates is a challenging one, with the aim to have draft operational plans returned by early June 2022. The earlier start in the operational planning process for 2022/23 is designed to ensure that operational plans are developed and are in place in advance of the start of the new academic year in August 2022. Although operational plans were developed for all areas in the College in 2021/22, some of these operational plans were not finalised prior to the start of the academic year.

Our review of the operational plans for 2021/22 demonstrated that these are comprehensive documents with a significant number of recommendations which require to be delivered. In some cases, there are multiple actions aligned to individual strategic aims. However, target completion dates were not always set and responsibility for delivery was not always clear. In most cases examined the actions were not prioritised and therefore it was not always possible to distinguish the business critical actions from less important actions. These issues have been recognised in developing the new operational planning guidance and there will be a specific focus on ensuring that actions are clearly prioritised and that the target completion dates and responsibility for delivery are clearly defined to improve accountability moving forward. Since these issues are already being addressed by management, we have not raised a separate recommendation on this point.

Below the operational plans, Associate Deans also have their own team level plans which are monitored throughout the year in conjunction with Curriculum Heads and teams.

Objective 4 – Delivery of the Corporate Plan and the supporting key strategies, plans and programmes are appropriately monitored.

The strategic aims set out in the Strategic Plan 2021 to 2030 are monitored through a range of performance measures, targets and perception measures and delivery against these aims is reported within the performance narrative in the Annual Report and Accounts. In addition, a Strategic Plan Progress: Outturns Report is produced annually with the 2020/21 version presented to the Board of Management in November 2021. This demonstrated progress in delivering on the strategic aims and was grouped under the five supporting strategy headings.

The existing performance dashboard has been retained, which allows a daily view of performance on key aspects of the College. Work is underway to develop the Power BI software to allow access to more granular performance information with enhanced reporting capability for staff at all levels. This will be supported by a new data warehouse which is currently being developed, which will supersede the current Dynistics dashboard. Reports have been provided to ELT on the progress to develop the new data warehouse, including the recruitment of permanent Business Intelligence Developer post. It is intended that the new data warehouse will replace the existing performance dashboard. This will provide enhancement predictive analytical capability through artificial intelligence.

For key transformational change projects, such as the Canvas project, specific governance arrangements are put in place to allow oversight of delivery the approved business plan. A soft launch of the Canvas project has already taken place with full roll-out planned in advance of the academic year 2022/23. Development of the business case was taken through the Digital Transformation Group (which includes student and faculty representation) prior to consideration by SMT. We reviewed the latest digital update provided to the Finance and Resources Committee and noted that the updates provided were grouped under the six digital aims described in the Digital Strategy. This provides an improved line of sight for Board members in tracking delivery of strategic aims.

At an operational level, faculties and directorates have set out key success measures and developed operational objectives and individual tasks. These are tracked quarterly by the performance team and will also be subject to review by the Compliance Auditor. Any performance issues identified by the Compliance auditor will be escalated as required. An important element of the oversight of the performance data will be the identification of cross cutting themes which will require to be explored to identify causes and potential remedial action. The sharing of draft operational plans by Directors and Deans will play an important role in establishing a shared understanding of the input required from different parts of the college to deliver operational objectives.

As highlighted above, new operational planning guidance has been developed which provides a detailed timeline for the development of operational plans for 2022/23, which will allow progress to be tracked against challenging targets. Our review of the new guidance noted key milestones around stakeholder engagement around reviewing the priorities for the year and a forecasting workshop which allow examination of the resources required to deliver operational objectives during 2022/23. In future, it is intended that the operational planning guidance will be issued in February.

Objective 4 – Delivery of the Corporate Plan and the supporting key strategies, plans and programmes are appropriately monitored. (continued)

Observation	Risk	Recommendation	Management Response
We noted that performance metrics have been included within the Student Academic Experience strategy document but that this is not uniform across all five of the strategies which support the Strategic Plan 2021 to 2030. We were advised that work to refresh the balanced scorecard is ongoing and the development of key performance indicators for each of the five strategies will allow a new suite of high level College wide performance measures to be in place in advance of the 2022/23 academic year.	Without key performance indicators to measure the progress in delivering the five strategies it is challenging to track progress in delivering the ambitions set out in the strategies.	**R2** Key performance indicators should be developed for each of the five strategies, with targets set and agreed by ELT and the Board, and these metrics should form the basis of the refreshed Balanced Scorecard for the College.	The performance reporting framework is being updated and as part of this process the key performance indicators and targets for each of the five strategies will be set and agreed by ELT and the Board **To be actioned by:** Director of Excellence **No later than:** 30 September 2022

	Grade	**3**

Objective 5 – There is effective linkage between planning and financial budgeting at all levels.

The financial challenges facing the College have been a central element of the development of the Strategic Plan and the supporting strategies. Finance staff are actively involved in the development of the operational plans with input provided on any resource constraints and support provided around the funding requirements for any significant transformational change projects. The new PMO is also available to provide support and advice in delivering transformational change projects. All business cases are now subject to both procurement and PMO scrutiny from the outset.

In developing operational plans there is an expectation that issues such as finance and sustainability will form a key element of operational objectives, and this is set out explicitly in the Operational Planning guidance for 2022/23.

The challenging financial environment which the college is operating within has been exacerbated by the funding announcement in December 2021, which was significantly below expectations. Therefore, the need to consider financial risks to delivery will form a key component of the operational planning process and should feed through into the risk maps considered by the Audit and Assurance Committee. The risk strategy does reflect the risk of failing to deliver on strategic priorities. In order to maintain the integrity of this risk management approach it is key that the ongoing dialogue between finance staff and budget holders is utilised effectively to identify financial hotspots at an early stage, which may impact on the delivery of operational and strategic objectives.

Although the Strategic Plan was developed prior to the December 2021 funding announcement, and is there based on different financial assumptions, we have been advised that the fundamental strategic aims remain valid, although the timeframe for delivery may have to be adjusted to align with the resources available to the College.

Consideration of the financial plans by the Board of Management and the Finance and Resources Committee forms an integral part of the operational planning process as set out in the latest Operational Planning guidance.

From the evidence provided we are comfortable that there has been sufficient focus around financial constraints in developing the planning framework.

Corporate Planning

Objective 5 – There is effective linkage between planning and financial budgeting at all levels. (Continued)			
Observation	**Risk**	**Recommendation**	**Management Response**
The development of the operational plans for 2022/23 will provide the first opportunity to develop a comprehensive understanding of the impact which the financial constraints placed on the College will have on the delivery of strategic and operational objectives. Therefore, there is a need to revisit the existing risk tolerances and risk appetite set out in the risk maps to reflect the issues highlighted around financial pressures arising from the operational planning process.	The risk tolerances and risk appetite shown on the Risk Maps may not be aligned with the plans produced since the funding announcement.	**R3** As part of the process to finalise the operational plans for 2022/23, a review of risk tolerances and risk appetite should be conducted to ensure alignment between the financial position set out for the college, the aspirations set out for 2022/23 and the steps required to achieve financial sustainability.	Given the current extremely challenging financial context facing the College we agree that the approved operational plans and risks must be prepared and agreed with this context embedded. **To be actioned by:** Depute Principal **No later than:** 30 September 2022
			Grade — 3

Henderson Loggie