

Board of Management Audit & Assurance Committee

Date of Meeting	Tuesday 29 November 2022
Paper No.	AAC2-K
Agenda Item	5.7
Subject of Paper	Internal Audit Annual Report 2021-22
FOISA Status	Disclosable
Primary Contact	Henderson Loggie
Date of production	23 November 2022
Action	For Discussion and Decision

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 2021-22.

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 2021-22 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 2021/22, 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 2021/22

Internal Audit report No: 2022/12

Draft issued: 18 November 2022

2nd Draft issued: 22 November 2022

Final issued: 23 November 2022



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Annual Report and Opinion

Introduction

- 1.1 We have been re-appointed as Internal Auditors of City of Glasgow College ('the College') for the period from 1 August 2021 to 31 July 2024, with an option available to the College to extend for a further two years. This report summarises the internal audit work performed during 2021/22.
- 1.2 The Audit Needs Assessment (ANA) was prepared following discussion with the College Senior Management Team and review of College documents together with previous internal and external audit reports. The assessment covers the main areas where the College is exposed to risk that can be managed through internal control, and which therefore should be considered for examination by internal audit. The assessment took no account of the resources available to carry out the work. The ANA was based on the College's Risk Register and also on the risk prompt list for higher education institutions issued as a guide by the Higher Education Funding Council for England (HEFCE). The prompt list was compiled by HEFCE from information provided by several institutions that had carried out a full risk identification process. Risks were split into eight categories: reputation; student experience; staffing issues; estates and facilities; financial issues; commercial issues; organisational issues; and information and IT. These categories have been used in developing the ANA. The above information was then supplemented by our own assessment of the risks faced by the College.
- 1.3 The work undertaken in the year followed that set out in the Strategic Plan for 2021/22 with the exception of the deferral of the Fraud Prevention, Detection and Response review into the annual plan for 2022/23.
- 1.4 The reports submitted during 2021/22 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 2022, 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 2021/22 assessed systems as 'Good' or 'Satisfactory', 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

1.11 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 2021/22, and since our original appointment.



Reports submitted

Number	Title	Overall Grade	Recommendations	Priority 1	Priority 2	Priority 3
2022/02	Annual Plan 2021-22	N/A	N/A	N/A	N/A	N/A
2022/03	Business Continuity	Good	5	-	-	5
2022/04	Corporate Planning	Good	3	-	-	3
2022/05	Health & Safety	Satisfactory	6	-	-	6
2022/06	Business Development & International Activity	Good	-	-	-	-
2022/07	2021/22 Student Activity Data	N/A	1	-	-	1
2022/08	Data Protection	Satisfactory	2	-	-	2
2022/09	Internal Communications	Satisfactory	2	-	-	2
2022/10	IT/Digital Strategy	Good	-	-	-	-
2022/11	Follow Up	N/A	11 of the 37 recommendations followed up require further action	-	2	9

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

2022/02 – Internal Audit Annual Plan 2021/22

Final Issued – May 2022

The purpose of this document was to present for consideration by the Audit and Assurance Committee the annual operating plan for the year ended 31 July 2022. The plan was based on the proposed allocation of audit days for 2021/22 set out in the 2nd draft Audit Needs Assessment and Strategic Plan 2021 to 2024 (Report 2022/01, issued 25 February 2022), which was presented to the Audit and Assurance Committee for consideration and approval at its meeting on 2 March 2022.

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.



2022/03 – Business Continuity

The scope of this audit was to undertake a review of business continuity planning to consider whether there are adequate plans in place to minimise disruption to College operations following loss of life, buildings or equipment. This included a specific focus around the work that was undertaken to allow College operations to continue during the COVID-19 pandemic and reopen College campuses as the lockdown was eased. The review also looked at the student experience through the lockdown period.

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

Strengths

- An external Strategic Review of Business Continuity Management was undertaken in March 2018 for the College insurers;
- In January 2019 the same company was engaged to conduct a full cross-College business impact analysis, to inform the development of detailed Business Recovery Planning across all College teaching and support functions. This work was completed in September 2019;
- The current position is that 16 departmental Business Recovery Plans (BRPs) are in place, which cover all of the College’s activities and locations. The ICT BRP is supported by a number of related plans;
- The BRPs proved extremely valuable during the COVID-19 pandemic and have been subject to regular review, most recently in February 2022 when a process started to revise the BRPs to include lessons learned from implementation;
- BRPs have been prepared using a consistent format, which reflects recognised good practice;
- There is also a College wide Business Continuity Plan (Incident Management Plan) in place, which is subject to regular review and updating, including to reflect COVID-19 protocols;
- An externally facilitated scenario test of the ICT recovery plans is scheduled for 2022;

Final Issued – June 2022

Overall grade: Good

The objective of this audit was to obtain reasonable assurance that:	Grade
1. Business Continuity / Contingency Plans are in place covering all of the College’s activities and locations	Satisfactory
2. The Business Continuity Plans / Contingency Plans are workable, properly communicated to members of staff, and have been adequately tested.	Good
3. The processes and procedures in place follow recommended good practice.	Good
4. The work that was undertaken to allow College operations to continue during the COVID-19 pandemic minimised, as far as possible, the impact on the student experience	Good
5. Appropriate preparations were made, and robust plans developed to ensure that College campuses could safely reopen when the COVID-19 lockdown was eased, taking into account all Scottish Government and Health and Safety Executive Guidance relevant to education providers.	Good
Overall Level of Assurance	Good



Annual Internal Audit Report 2021/22

2022/03 – Business Continuity (Continued)

Strengths (Continued)

- The Board and Senior Management Team oversaw the migration to remote working, learning and teaching, and all College operations, following closure of the College buildings on 17 March 2020. The College's ICT Team worked quickly to make this switch technically possible;
- The College invested heavily in laptops and chrome books so that all students in need had access although this was impacted by national supply issues;
- From a College point of view there was an emphasis on student engagement and ensuring that students were able to continue their learning although it is recognised that communication was an issue at first;
- Teaching staff were supported in the move to online delivery by the College Learning and Teaching Academy, which was able to accelerate its work in this area in order to meet the challenges presented by the COVID-19 lockdown;
- The Students' Association also moved its activities, including sports and societies, online. Engagement with students was increased including weekly emails 'WhatsOn'. National funding was made available to the Students' Association to fund a post to support mental well-being;
- Operations protocols for the College campus sites were developed to minimise risk to staff students and visitors, as part of planning the return to building occupation. The protocols were based on the Scottish Government's Coronavirus (COVID-19): guidance for colleges. 20 editions and updates have been produced to date;
- In addition to making the full protocols available to all staff on the College intranet, a 'Staff on Campus Guide' was also produced, as well as a parallel Student Guide;
- The arrangements for a safe return to College campuses has been a focus of discussion at the College Executive Leadership Team / Senior Management Team and Health and Safety Committee meetings throughout the pandemic;
- A system of risk assessments was developed and signed-off by the Health and Safety Committee and Trade Unions before being published and communicated to staff;



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2022/03 – Business Continuity (Continued)

Strengths (Continued)

- The College received a proactive visit from the Health and Safety Executive's (HSE) HM Inspector of Health and Safety and a Local Authority Environmental Health Officer on 21 October 2020, which concentrated on the Hair and Beauty department. Although no formal report was received following the visit, we were advised that initial feedback from the HSE Inspector commended the College's systems and COVID-19 measures as some of the best practice they had observed; and
- A comprehensive report 'Delivering in a Pandemic' has been prepared which reflects on the College's response to the pandemic providing a detailed account of all the action taken and looking into the future. The College has established key lessons that it hopes will mean it is even more prepared for the task ahead.

Opportunities for Improvement

- The Resource Recovery section of the departmental BRP asks the recovery plan owner whether an agreement is in place with regard to any of the resources required to aid recovery of operations. We noted from a review of departmental BRPs that there was a mix of Yes / No responses but that in those instances where a No response was provided there were no documented actions for the BRP owner to follow up. Also, where the answer was Yes, there may not be a formal agreement in place, just a historic informal arrangement which may or may not still be valid;
- It was also noted in the Resource Recovery section of the departmental BRPs, which were reviewed as part of our audit, that there was generally mention of 'remote working', without much further detail being provided. The design of the BRP template could be amended to specifically include a new section on remote working;
- For the sample of departmental BRPs reviewed we noted that there was inconsistency in completion of the Recovery Log section (Appendix I). This ranged from no entries at all or one line noting the move to remote working in March 2020, through to a comprehensive timeline of all the key actions undertaken throughout the COVID-19 pandemic;

2022/03 – Business Continuity (Continued)



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Opportunities for improvement (Continued)

- Although there has been 'live' testing of the College wide Business Continuity Plan (Incident Management Plan) and departmental BRPs throughout the COVID-19 pandemic and plans are in place for a scenario test of the IT recovery plan, going forward there should be regular scheduled testing of the plans including desktop walkthrough exercises and these should be included in a testing plan; and
- We discussed with College management, and staff interviewed as part of the audit, the method by which actions were recorded and allocated to responsible individuals during the COVID-19 pandemic. This was achieved in a number of ways, including through Team and Committee meeting minutes, although it is considered that there would have been benefit in using a consistent system for documentation across College departments, such as through the use of Microsoft Teams.



Annual Internal Audit Report 2021/22

2022/04 – Corporate Planning

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.

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

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;

Final Issued – May 2022

Overall grade: Good

The specific objectives of this audit were to obtain reasonable assurance that:	Grade
1. The corporate planning process is adequately planned and challenged for robustness	Satisfactory
2. Linkages between the Strategic Plan, the Regional Outcome Agreement and operational plans are clearly defined and communicated	Good
3. Operational plans are robust and include detailed prioritised action plans	Satisfactory
4. Delivery of the Corporate Plan and the supporting key strategies, plans and programmes are appropriately monitored	Satisfactory
5. There is effective linkage between planning and financial budgeting at all levels	Good
Overall Level of Assurance	Good



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2022/04 Corporate Planning (Continued)

Strengths (Continued)

- 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 Cumberland-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 Cumberland-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;



2022/04 Corporate Planning (Continued)

Strengths (Continued)

- 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;



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2022/04 Corporate Planning (Continued)

Weaknesses (Continued)

- 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.



Annual Internal Audit Report 2021/22

2022/05 – Health & Safety

This audit focused on a high-level review of the arrangements in place within City of Glasgow College to identify and monitor compliance with legislation relevant to business activities.

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

Strengths

- A 'walk-round' process is in the final stages of implementation within the Education & Humanities department, which will act as a periodic detective control to identify any health and safety issues across the department, with a College-wide rollout planned in the near future;
- All required health and safety documentation is available to all College staff via the intranet;
- Air quality monitors are fitted in all practical classrooms across the College, with monitors in place in a significant number of non-practical classrooms in addition to this. These allow the lecturer to ensure that the air which the students breathe is sufficiently clean at all times, reducing the risk of any respiratory issues for the College's students;
- The hard copy incident and accident reports are held in a locked cupboard, with the Health & Safety Team in full control of its access, in line with Data Protection requirements;
- During the pandemic, the Health & Safety Committee met monthly instead of quarterly to communicate any risks to the wellbeing of staff and students as a result of the changing landscape of the covid-19 virus. Additionally, the Vice Principal of the College (who is also the Chair of the Health & Safety Committee) met with the Principal to discuss key health and safety issues to ensure actions were delegated to the appropriate members of staff to ensure prompt remediation;

Final Issued – August 2022

Overall grade: Satisfactory

The objective of this audit was to obtain reasonable assurance that:	Grade
1. A health and safety policy and documented procedures are in place which are communicated to all staff	Satisfactory
2. A formal risk identification and assessment process is in place	Satisfactory
3. A health and safety training programme which includes induction training, refresher training and training for new equipment and legislation is in place	Good
4. Regular monitoring of Health & Safety systems is performed to ensure that they are functioning effectively including Health & Safety audits, carried out either internally or by external agencies such as the Health and Safety Executive	Good
5. An incident and accident recording system with follow-up and implementation of new controls where required	Satisfactory
6. Regular reporting of Health & Safety to the College Executive Team and to the Board of Management is in place	Good
Overall Level of Assurance	Satisfactory



Annual Internal Audit Report 2021/22

2022/05 – Health & Safety (Continued)

Strengths (Continued)

- Quarterly reporting via the Finance and Physical Resources Committee is in place to ensure that the Board is aware of all key Health and safety issues facing the College;
- A College-wide health and safety training exercise was undertaken in 2021 to ensure that all staff across the College were suitably trained to correctly complete a risk assessment and had a sufficient understanding of the health and safety procedures within the College;
- The College received a proactive visit from the Health and Safety Executive's (HSE) HM Inspector of Health and Safety and a Local Authority Environmental Health Officer on 21 October 2020, which concentrated on the Hair and Beauty department. Although no formal report was received following the visit, we were advised that initial feedback from the HSE Inspector commended the College's systems and COVID-19 measures as some of the best practice they had observed. (Also noted in Business Continuity Review);
- Despite being based at the City Campus, the Health & Safety Advisors visit the Riverside Campus multiple times each week on a rota basis to increase the team's visibility and accessibility;
- The Health & Safety Advisors perform ad-hoc investigations into issues and trends identified out with their general responsibilities (for instance, high number of staff sickness in one department) to identify any potential additional controls which could be implemented to prevent a recurrence. Investigations were initially undertaken due to monitoring of covid-19 breakouts, however, other instances of non-covid related sicknesses may be investigated to ensure they are not as a direct result of the conditions within the College;
- From a walk-round of a section of the City Campus, health and safety signage was clearly visible, and hard copies of safety procedural documentation was pinned on the notice board within the construction area of the campus, for quick access to users; and
- The Health & Safety Advisors have permission to issue prohibition notices to any dangerous practices they see on-site, without being required to seek further authority, to prevent potential injury occurring.



Annual Internal Audit Report 2021/22

2022/05 – Health & Safety (Continued)

Weaknesses

- The Health & Safety Policy was not updated, reviewed and published in line with the annual renewal date;
- The Fire Safety Policy has not been formally approved following review, since 2014 to note the changes in College campuses and the significant Fire Safety drills and procedure reviews undertaken in 2021/2022;
- Instances of accident forms being incomplete were identified during sample testing;
- Reporting of near misses is not, for the year 21/22, proportionate to the number of accidents and incidents reported. Meaning opportunities to prevent future accidents and incidents may not be identified;
- Filing of completed risk assessments could be improved to allow for consistent references and accuracy of the information on the Risk Assessment Tracker against the information recorded on the risk assessment documents;
- Four of the five Health & Safety staff members are located within the College at any one time (two Advisors are 0.5 FTE) and therefore these staff are overseeing c. 25,000 students and c.1,000 staff. This reliance on the function's capacity to deliver work is at risk, due to the temporary contracts under which the staff members are employed.



Annual Internal Audit Report 2021/22

2022/06 – Business Development / International Activities

This audit has considered the key risks in relation to the College’s commercial activities specifically including its operations in the international market.

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

Strengths

- A long-term Corporate Strategy 2021-2030 is in place for the College’s business development, including its rapidly expanding international activities. The College’s operational planning is consistent with the strategic priorities and meeting SMART principles, with responsible managers allocated for delivery of each planned action, and specific measurable KPIs in place;
- The College has an International Partnership Agreements process in place, including all steps and relevant templates to be completed from the identification of a partnership institution to conclusion of a Memorandum of Agreement. There is a clear support structure in place established to ensure that commercial opportunities are identified, and potential and existing partnerships are effectively governed and managed;
- Risks related to business development activities, including international arrangements, are identified, scored, recorded and monitored at both strategic and operational levels. Individual project risks are considered within the application process and recorded in the relevant risk registers;
- Risks related to international applicants are managed through the credibility interviews conducted by the Project Compliance Manager. International travel risks are recognised by the College and managed by consideration of application forms for each overseas journey and approved by the Vice Principal or relevant Director;
- International Agent risks are managed by undertaking background checks and requesting reference for each prospective agent, prior to entering into a commercial agreement.

Final Issued – September 2022 Overall grade: Satisfactory

The objective of this audit was to obtain reasonable assurance that:	Grade
1. An effective strategic and operational planning process has been established, including identification of key markets and courses	Good
2. An appropriate management and support structure has been put in place to identify and promote commercial opportunities, including marketing and agency arrangements to support the College with the recruitment of international students	Good
3. Key risks and opportunities are identified and mitigated / exploited	Good
4. There is effective pricing in the marketplace, with full cost recovery as the target and careful consideration being given to activity which does not meet this target	Good
5. Management information, including financial information on each specific activity, is adequate and easily accessible to all relevant staff	Good
6. There is regular review of activities by the Board of Management and its committees	Good
7. Feedback is sought from customers and acted upon	Good



2022/06 – Business Development / International Activities (Continued)

Strengths (Continued)

- Business opportunities are considered by the Development Committee at each meeting, being a standard agenda item;
- Costing templates are completed for all commercial projects, including international arrangements, and approved by management. The decisions on running projects and partnerships are based on the value for money principle and perspectives for further development of the College’s global representation and internalisation of curricula;
- Adequately detailed management information is produced on a regular basis to the Development Committee ahead of each meeting for consideration by members, including members of Executive leadership team;
- The College’s Development Committee receives reports containing international projects update at each meeting, including joint diploma programmes, 1+1 programmes, funded programmes, teacher training and franchise programmes. Additionally, reports cover international opportunities and awards, and international project income summary;
- The College’s Board of Management receives minutes and reports from the Development Committee on a regular basis, to ensure high level scrutiny over commercial / international activities;
- Feedback is sought from students, staff and institutional partners, results are collated and analysed by the International team and reported within the updates on international activities and commercial performance provided to the Development Committee;
- The intellectual property ownership and management is determined within the Memoranda of Agreements as a standard clause. Intellectual property risks are considered as part of individual projects’ risk registers, and
- The College has up-to-date Employers’ Liability, Public and Product Liability and Professional Indemnity insurance policies in place to manage the risk of financial loss resulting from external claims for breach of contractual responsibilities. Additionally, Indemnity and Liability is a standard clause for partnership collaboration agreements.

Weaknesses

Our audit did not identify reportable control weaknesses.

The objective of this audit was to obtain reasonable assurance that:	Grade
8. Appropriate systems and procedures are in place to manage intellectual property risks covering areas such as: ownership; identification; application approval; and maintenance	Good
9. Adequate arrangements have been put in place to prevent and respond to external claims against the College for breach of contract and robust agreements are signed with partners	Good
Overall Level of Assurance	Good



2022/07 – Student Activity Data 2021/22

Final Issued – November 2022

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 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, COVID-19 related guidance at Annex D and the key areas of risk identified in Annex E.

Our report was submitted to the SFC on 26 October 2022. 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.

We identified one priority 3 recommendation from our audit testing for 2021/22. This relates to the need for the College to ensure that Credits claimed for students on work-based learning programmes are based upon the value of the enrolled units which reflect the students discrete course record held by tutors and assessors, and not based upon a default tariff.



Annual Internal Audit Report 2021/22

2022/08 – Data Protection

The scope of this audit was to carry out a review of the College’s implementation of the Data Protection Act 2018, including the UK GDPR, to ensure that processes and procedures are in place to allow compliance with this.

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

Strengths

- A Data Protection Policy in place which is publicly accessible via the College’s website;
- The appointment of an external DPO allows the College to meet the ICO requirement for the DPO to be “*independent and unbiased. They must report to the highest management level, and staff must be clear about how to contact them*”;
- The DPO has undertaken a gap analysis of the College’s compliance with the ICO Framework and scheduled actions to address any shortcomings;
- Separate privacy notices are in place for staff, students and Board members to allow role specific information to be provided;
- A detailed Data Breach Procedure document is in place, and this is available to all College staff;
- There is a direct, secure, data breach reporting facility in place, which is available to all College staff;
- A Data Privacy Impact Assessment template is in place for use by all staff who require it;
- Professional advice is sought from the Data Protection Officer by College staff on subject access requests to ensure that they are handled appropriately and in line with the regulatory requirements;
- The College’s contract with the DPO is designed to allow the DPO to provide a flexible service to the College, and therefore allows the DPO to promptly address any issues which require immediate attention;
- The DPO consults regularly with operational management regarding data protection compliance matters; and
- Training has been delivered to College staff on handling data breaches, managing SARs, data protection within procurement, awareness of how to safely share data and data protection due diligence.

Final Issued – November 2022 Overall grade: Satisfactory

The specific objectives of this audit were to obtain reasonable assurance that:	Grade
1. Appropriate action has been taken by the College to comply with the Data Protection Act 2018, including the UK GDPR.	Satisfactory
2. Adequate procedures are in place for the ongoing monitoring of compliance with data protection legislation.	Satisfactory
Overall Level of Assurance	Satisfactory



Annual Internal Audit Report 2021/22

2022/08 – Data Protection (Continued)

Weaknesses

- Reporting of progress updates for the College's data protection framework is currently in place to the Audit & Assurance Committee. However, no regular reporting is in place on data protection to the College Board; and
- As a result of the record of processing activities (ROPA) being incomplete, no periodic compliance checks are in place to ensure that personal data is being retained in line with regulatory requirements.



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2022/09 – Internal Communications

The scope of this audit was to evaluate the effectiveness of the College’s internal communication arrangements.

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

Strengths

- Several documented internal communication policies, procedures and guidance documents are in place, including email best practice guide, all-staff and all-student email protocols, Internet content and MyConnect (intranet) best practice guides, Social media policy and other procedural documentation;
- The College deploys a wide range of communication methods to its internal stakeholders (staff and students). The College’s intranet platform MyConnect is identified as the main central internal communication tool, effectively supplemented by other resources, with separate protocols existing for proactive and reactive communication;
- The College provides guidance on selecting the optimal method(s) of internal communication depending on the target audience, the purpose and objectives of communication;
- We confirmed that the College’s employees were satisfied with the volume of information they receive on the College and information disseminated which was pertinent to their specific roles;
- Regular updates are provided to the College community by the Principal;
- Management and staff confirmed their awareness of the College’s strategy, policies, procedures and events, readily available via relevant communication resources; and
- The College’s employees consider existing internal communication channels effective in providing high quality information (i.e. clear, concise, relevant, consistent and timeous) to end users.

Final Issued – November 2022 Overall grade: Satisfactory

The specific objectives of this audit were to obtain reasonable assurance that:	Grade
1. The College has an internal communication strategy and plans in place	Satisfactory
2. The College has established employees preferred method of receiving communication about a range of topics	Good
3. Employees are getting all of the information they need, on the College and for their specific role	Good
4. Existing internal communication channels are effective in providing information that is clear, consistent, relevant and timely	Good
Overall Level of Assurance	Satisfactory



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2022/09 – Internal Communications (Continued)

Weaknesses

- We were advised that there is currently no formally approved Internal Communication strategy in place. However, a set of communication strategy, plans, protocols, guidance and advice is being developed, with a view to obtaining approval by the Strategic Management Team (SMT) and the Board of Management by April 2023. We have not raised a separate recommendation in relation to this finding as we have recognised that management are aware of the position and that work is already underway to address this issue;
- Our review of the Communication operational planning process highlighted that the 2022/23 operational plan was in draft at the time of our fieldwork, and was expected to be submitted for approval in November 2022. Additionally, the 2021/22 operational plan contained gaps in alignment of the planned activities with the College's corporate strategic objectives and indicated an incorrect deadline. The template was not formally signed off / dated by the Director of Communications and Vice Principal Corporate Services; and
- We observed that staff surveys were not fully utilised as an opportunity to obtain valuable employee feedback and to provide staff input in identifying areas for further improvement of internal communication processes and practices.



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2022/10 – IT / Digital Strategy

The scope of this audit was to review the processes for the development of the IT / Digital Strategy within the College. We also reviewed the adequacy and effectiveness of the governance, processes and key controls over the definition, maintenance and delivery of the IT / Digital Strategy to help the College meet its business objectives.

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

Strengths

- The College Digital Strategy 2021-2030 sets out a framework for the use of digital technologies to support the College’s strategic, business and learning objectives. The College’s Digital Strategy 2021-2030 has been aligned with and developed to support the delivery of the Strategic Plan 2021-2030.
- We noted that a key underlying theme of the Digital Strategy relates to technology architecture, where the focus is to design, develop and maintain a technology infrastructure to support the current and future digital needs of the College.
- Despite reductions in SFC capital funding in recent year, and pressures on internal budgeting arrangements due to competing priorities and cost pressures, the College has invested significant resources to support the Digital Strategy. This spans investment in systems, applications, and digital tools, which are available to staff and students. It also includes investment in the digital infrastructure and cyber security measures which underpin these services, and the organisational structures and training delivered to staff.
- Structures have been implemented to ensure that appropriate staff groups are engaged in reviewing processes to identify opportunities to work smarter, more efficiently and more collaboratively with both internal and external stakeholders.
- Review of business cases for implementing new technology and systems includes consideration of compatibility with existing infrastructure, systems, and technology, as well as future planned projects. The project monitoring process ensures that projects remain strategically aligned and on track to deliver the intended benefits.

Final Issued – November 2022 Overall grade: Good

The specific objectives of this audit were to obtain reasonable assurance that:	Grade
1. an application architecture is in place that ensures that the College has a suite of compatible applications that are aligned to the IT / Digital Strategy	Good
2. an appropriate governance structure is in place that ensures that IT related projects, initiatives and requests are aligned to the IT / Digital Strategy	Good
3. all internal and external stakeholders have been identified and provided opportunities to provide input and inform the identification of requirements of the IT / Digital Strategy	Good
4. there is clear alignment of the IT / Digital Strategy objectives with the Strategic Plan and Regional Outcome Agreement objectives	Good
5. there is regular reporting to stakeholders on progress with achieving the IT / Digital Strategy, including appropriate Key Performance Indicators and Key Risk Indicators in place to measure and report progress of the IT / Digital Strategy and associated risks.	Good
Overall Level of Assurance	Good



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2022/10 – IT / Digital Strategy (Continued)

Strengths (Continued)

- The Digital Strategy was developed in consultation with both internal and external stakeholders, with the College engaging with representatives of staff and student groups. A series of internal workshops and stakeholder were delivered for staff, to promote awareness of the development of the Digital Strategy and to gather views on the challenges or barriers to improving digital capability and to identify the College's digital requirements.

Weaknesses

- No significant weaknesses were identified during our review.



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Report No 2022/11 – Follow Up Reviews

Final Issued: November 2022

Overall grade: N/A

We carried out a follow-up review of the recommendations made in Internal Audit reports issued during 2021/22 and reports from earlier years that had either not already been subject to follow-up or where previous follow-up identified recommendations outstanding. These were:

- Internal Audit Report (2021/03) – Debtors and Income
- Internal Audit Report (2021/04) – Equality & Diversity
- Internal Audit Report (2021/05) – IT Network Arrangements / Security
- Internal Audit Report (2021/06) – Follow-Up Reviews 2020/21
- Internal Audit Report (2021/07) – 2020/21 Student Activity Data (Credits)
- Internal Audit Report (2021/08) – Capital Projects
- Internal Audit Report (2021/09) – Curriculum Planning
- Internal Audit Report (2021/10) – Partnership Working
- Internal Audit Report (2021/11) – Business Engagement
- Internal Audit Report (2022/03) – Business Continuity

Internal Audit Reports 2021/01 – Annual Plan, 2021/02 – General Ledger, 2022/01 ANA and Strategic Plan, and 2022/02 – Annual Plan did not contain any recommendations and as a result no follow up work was carried out for these reports.

The objective of our follow-up review was to assess whether recommendations made in previous reports have been appropriately implemented and to ensure that, where little or no progress has been made towards implementation, that plans are in place to progress them.

The College has made good progress in implementing the recommendations followed-up as part of this review with 31 (69%) of the 45 recommendations that were past their agreed completion dates being categorised as ‘fully implemented’. 14 recommendations (29%) were assessed as ‘partially implemented’ and one (2%) had been ‘little or no progress made’.

The recommendations that were ‘partially implemented’, together with those not past their agreed completion dates, will be subject to follow-up at a later date.



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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
2021/03 – Debtors and Income	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	2	2	-	-	-	-
Total		2	2	-	-	-	-
2021/04 – Equality & Diversity	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	3	2	1	-	-	-
Total		3	2	1	-	-	-
2021/05 – IT Network Arrangements / Security	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	7	4	3	-	-	-
Total		7	4	3	-	-	-
2021/06 – Follow Up Reviews 2020/21	1	-	-	-	-	-	-
	2	4	2	2	-	-	-
	3	16	11	5	-	-	-
Total		20	13	7	-	-	-
2021/07 – 2020/21 Student Activity Data (Credits)	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	1	1	-	-	-	-
Total		1	1	-	-	-	-
2021/08 – Capital Projects	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	2	2	-	-	-	-
Total		2	2	-	-	-	-
2021/09 – Curriculum Planning	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	2	2	-	-	-	-
Total		2	2	-	-	-	-
Total Carried Forward		37	26	11	-	-	-

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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.

Time Spent - Actual v Budget 2021/22

	Report number	Planned days	Actual days feed	Days to fee at Nov 2022	Days to spend / WIP	Variance
Reputation						
Health & Safety	2022/05	5	5	-	-	-
Internal Communications	2022/09	5		5	-	-
Financial Issues						
Fraud Prevention, Detection & Response		5		-	-	5
Commercial Issues						
Business Development / International	2022/06	6	6	-	-	-
Organisational Issues						
Business Continuity	2022/03	5	5	-	-	-
Corporate Planning	2022/04	5	5	-	-	-
Information & IT						
Data Protection	2022/08	6	-	6	-	-
IT / Digital Strategy	2022/10	5	-	5	-	-
Other Audit Activities						
Credits Audit	2022/07	8	-	8	-	-
Management & Planning	2022/02 & 2022/12	5	2	3	-	-
Follow Up reviews	2022/11	4	-	4	-	-
ANA	2022/01	1	1	-	-	-
Total		60	24	31	-	5
		=====	=====	=====	=====	=====

Operational Plan for 2022/23

- 5.1 Following our re-appointment as Internal Auditors for the period from 1 August 2021 to 31 July 2024, we prepared an Audit Needs Assessment and Strategic Plan for 2021 to 2024, issued on 25 February 2022.
- 5.2 An extract from the updated Strategic Plan, in relation to 2022/23, is shown below.

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Proposed Allocation of Audit Days

	Category	Priority	Planned 22/23 Days
Reputation			
External Communications and Marketing	Gov	H	
Internal Communications	Gov	H	
Health and Safety	Gov	H	
Equality and Diversity	Gov	M	
Student Experience			
Curriculum planning	Perf	M	
Quality assurance and improvement	Perf	M	
Libraries and learning technologies (L&T Academy)	Perf	M	
Student recruitment targets	Fin/Perf	M	
Student admissions / MIS	Perf	M	
Student funding)	Fin/Perf	M	6
Learning support)	Perf	M	
Student welfare (incl. Duty of Care)	Perf	H/M	
Student engagement)	Perf	M	
Student Association)	Gov	M	
Staffing Issues			
Staff recruitment and retention	Perf	M	
Staff / organisational development	Perf	M	5
Teaching staff utilisation / timetabling*	Fin/Perf	H/M	
Payroll	Fin	M	
Leadership organisation	Perf	M	
Estates and Facilities			
Infrastructure contract management)	Fin/Perf	H	5
Help Desk)	Perf	H	
Planned maintenance	Perf	H	4
Estates strategy / capital projects	Fin/Perf	M	
Sustainability	Gov/Perf	M	
Space management*	Perf	M	
Cleaning management	Perf	M	5
Asset / fleet management	Perf	M	
Financial Issues			
Budgetary control (incl. scenario planning)	Fin	H	5
Student fees	Fin	M	
General ledger	Fin	M	
Procurement and creditors / purchasing	Fin	H	5
Debtors/ Income	Fin	M	

Proposed Allocation of Audit Days (Continued)

	Category	Priority	Planned 22/23 Days
Financial Issues (cont'd)			
Cash & Bank / Treasury management	Fin	M	4
Fraud Prevention, Detection and Response	Fin	H	5
Commercial Issues			
Innovation and Research	Fin/Perf	H/M	
Business Development)	Fin/Perf	H/M	
International activities)	Fin/Perf	H/M	
Business Engagement incl. Skills Academies	Fin/Perf	H/M	
Lifelong learning	Fin/Perf	M	
Organisational Issues			
Risk Management	Perf	M	
Business Continuity	Perf	H	
Corporate Governance	Gov	M	
Corporate Planning	Perf	H	
Partnership Working	Gov/Perf	H/M	
Environmental Sustainability	Gov/Perf	M	4
Project Management	Gov/Perf	M	
College Subsidiary Company	Fin/Gov/Perf	H	
Information and IT			
IT network arrangements / security	Perf	H	
Data protection	Gov	H	
Freedom of Information	Gov	L	
Systems development / implementation	Perf	H	
Web-based Services	Perf	M	
IT / digital strategy	Perf	M	
Other Audit Activities			
Credits Audit	Required		8
Management and Planning)			5
External audit / SFC)			
Attendance at audit committees)			
Follow-up reviews		Various	4
Audit Needs Assessment			-----
			65
			=====

Key

Category: Gov – Governance; Perf – Performance; Fin – Financial

Priority: H – High; M – Medium; L – Low

* these assignments will be linked

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