

Board of Management Audit & Assurance Committee

Date of Meeting	Tuesday 5 December 2023
Paper No.	AAC2-H
Agenda Item	5.4.4
Subject of Paper	Internal Audit Report – 2022-23 Student Activity Data
FOISA Status	Disclosable
Primary Contact	Henderson Loggie
Date of production	1 November 2023
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 the 2022-23 Student Activity Data provides an outline of the objectives, scope, findings and graded recommendations as appropriate, together with management responses. This constitutes an action plan for improvement.

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

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

4. Impact and implications

Refer to internal audit report.

City of Glasgow College

2022/23 Student Activity Data

Internal Audit report No: 2023/10

Draft issued: 25 October 2023

Final issued: 1 November 2023



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Management Summary

Introduction

The Guidance Notes issued by the Scottish Funding Council (SFC) on 30 August 2023, '*FES Return and Audit Guidance 2022-23*' requested submission by City of Glasgow College ('the College') of the FES return for session 2022/23, which includes the Credits data relating to College activity for the academic year 2022/23.

Guidance on completion of the 2022/23 return was issued by the SFC on 31 May 2022.

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

Scope of the Audit

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

Detailed analytical review was carried out, including a comparison with last year's data, obtaining explanations for significant variations by Price Group.

Our testing was designed to cover the key risk areas identified at Annex C to Credits Audit Guidance.

Audit Staffing

An Audit Director with 30 years' experience in the further and higher education sectors had overall responsibility for the planning, control and conduct of the audit and supervised and reviewed work performed by a Senior Manager and Senior Auditor with 18 and six years' experience in the sector respectively.

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

The total number of audit days was 6, split 1 day for the Audit Director, 3 days for the Senior Manager and 2 days for the Senior Auditor.

Audit Findings

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

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

The action that we consider necessary on each issue is highlighted in the text for clarity and an action plan for implementation of these recommendations can be found in section 2.



Audit Findings (continued)

To aid the use of the action plan, our recommendations have been graded to denote the level of importance that should be given to each one. These gradings are as follows:

Priority 1	Issue subjecting the College 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 College to significant risk and which should be addressed by management.
Priority 3	Matters subjecting the College to minor risk or which, if addressed, will enhance efficiency and effectiveness.

Conclusion

Our report was submitted to the SFC on 11 October 2023. 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
- we can provide reasonable assurance that the FES return is free from material misstatements.

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

Acknowledgments

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



Action Plan

Para Ref.	Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer for Action	Agreed Completion Date
2.2.3	<p>Systems and Procedures for Compilation of Returns</p> <p>Collaborative Provision</p> <p>R1 Ensure that all student activity relating to higher education articulation programmes is identified in the FES and nil Credits claimed in line with the requirements of the Credits guidance.</p>	3	A Process and Procedure Review has been requested on how Partnership Agreements within the College are recorded and communicated to stakeholders, including student records.	Yes	Associate Director Student MIS	31 March 2024
2.3.2	<p>Classification of Programmes / Fee Waiver</p> <p>R2 Ensure that as part of the College's in-year FES data integrity checks student source of funding codes are checked for accuracy.</p>	2	Our workflow for in year checks has been reviewed and updated.	Yes	Associate Director Student MIS	31 March 2024



Main Report

1. Introduction

1.1 SFC Guidance

1.1.1 The Credits Audit Guidance issued by the Scottish Funding Council (SFC) on 30 August 2023 sets out, at Annex C, the key risk areas in relation to the preparation of the FES return. These are:

- allocation of Credit values to students where Credits exceed full-time levels;
- incorrect Credit value is claimed for collaborative provision;
- claims for fee waivers and students with multiple enrolments;
- spanning courses;
- identification of non-fundable activity, both courses and students, including capturing of eligible enrolments and identification and recording of student withdrawals;
- recording of progress for students on open / distance learning programmes;
- identification and counting of infill students; and
- claims for non-accredited work experience / placement.

1.1.2 For academic year 2022/23 we established that there had been no significant changes to the systems and procedures used in the compilation of the returns although there was a change in the College's lead staff member responsible for the FES data and return. We then carried out detailed testing, as necessary, to enable us to conclude that the systems and procedures were working satisfactorily. Detailed analytical review was carried out, including a comparison with last year's data, and obtaining explanations for significant variations by Price Group.

1.1.3 As requested by the Credits Audit Guidance this report indicates: the scope of the audit; the approach taken; an indication of analytical review work performed; the extent of checking undertaken; review of prior year recommendations; and the main findings from our audit work. As requested by the guidance, the report also includes a summary of adjusted and unadjusted errors found during the course of the audit.



2. Systems and Procedures for Compilation of Returns

2.1 Introduction

- 2.1.1 Detailed testing at the year-end Credits audit included two main tests on courses and individual students.
- 2.1.2 The following tests were carried out for a sample of 15 courses selected from the UNIT-e system:
- Ensured that the course met the criteria for fundable activity set out in the Credits guidance.
 - Where applicable, ensured that the course met the definition of further or higher education set out in the Credits guidance.
 - Ensured that courses recorded as full-time met the definition for full-time as set out in the Credits guidance.
 - Checked the student total for a programme against course / class lists or course / class register. Checked calculation of the required date and ensured that students who had withdrawn prior to this date had been excluded from the Credits count; and
 - Checked allocation of Credits to courses is in accordance with the Credits guidance and, where Credits were claimed beyond full time levels, that the claims could be appropriately justified by the College.
- 2.1.3 For a total of 51 students selected from the above courses the following tests were carried out, where applicable:
- Ensured that the student met the criteria for fundable activity set out in the Credits guidance.
 - Checked back to signed enrolment forms, or electronic equivalent, for the 2022/23 academic year.
 - For infill courses, ensured that Credits were allocated according to the modules attended by individual students rather than by the default value for the courses being infilled.
 - Checked to student attendance / engagement records and, for withdrawals, checked that the withdrawal date noted on the system was the last date of physical attendance;
 - For students following courses of open / distance learning vouched to study plan etc. and ensured that required criteria was met; and
 - For students undertaking non-accredited work experience / placement ensured that the Credits value had been calculated in line with the Credits guidance.
- 2.1.4 The following tests were carried out by reviewing records for all College courses:
- Confirmed that there were no claims for more than one full-time enrolment per student for 2022/23 and ensured that Credits had not been claimed in respect of courses that were related in respect of subject area, unless progression could be clearly established;
 - Confirmed that there were no claims for overseas students and students enrolled on full cost recovery commercial courses; and
 - Confirmed that Credits for spanning courses were claimed in the correct year.
- 2.1.5 We reviewed the systems for recording fee waiver entitlement and carried out an analytical review to ensure the accuracy of the fee waiver element of the FES return. For a random sample of nine part-time students, we confirmed that College staff had verified the entitlement to benefit.
- 2.1.6 Before signing our audit certificate, we reviewed the final FES online report and the explanations for remaining errors.
- 2.1.7 From our review and testing of the systems and procedures used in the compilation of the returns, we concluded that overall, they were adequate to minimise risk in the areas identified in Annex C of the Credits Audit Guidance and were working satisfactorily as described to us.



2. Systems and Procedures for Compilation of Returns (continued)

2.1 Introduction (continued)

2.1.8 The remainder of this section discusses issues identified during our review of the 2022/23 student activity data.

2.2 Collaborative Provision

2.2.1 The Credits guidance requires that programmes of learning which are fully funded from non-SFC sources are not eligible for funding. For example, where students or a sponsor (such as collaborative partner) have paid for the full cost of their programme of study, the students are regarded as non-fundable and credits should not be claimed, regardless of whether the college or the collaborative partner received the fee. In these situations, the SFC Credit claim should be reduced accordingly. Colleges should not claim funding from two sources for the same activity. Colleges should have procedures in place to identify students part funded from multiple sources and to ensure that Credit claims are reduced to reflect the funding from other sources.

2.2.2 We noted that there was one instance of collaborative provision in 2022/23 for which the College was claiming Credits. The College has entered into an agreement with Queen Margaret University (QMU) where the majority of year three of the BSc (Hons) Sports Rehabilitation programme will be delivered by the College, with students then completing year four of the programme at QMU (with the exception of one practice-based learning module delivered by the College).

2.2.3 Included within the FES data provided for audit, the College had claimed 89.6 credits for students enrolled on this programme. However, per the terms of the agreement with QMU we noted that students enrolled at the College should be treated as Associate students, with QMU providing a share of the funding to the College, and in line with the guidance noted at 2.2.1 above, Credits should not be claimed. Following discussion with College management it was agreed that this course had been incorrectly classified as a Validated Degree Programme rather than higher education articulation. The College re-assigned the programme as higher education articulation at the time of the audit and the 89.6 Credits were removed from the final Credits claim.

Recommendation

R1 Ensure that all student activity relating to higher education articulation programmes is identified in the FES and nil Credits claimed in line with the requirements of the Credits guidance.

2.3 Classification of Programmes / Fee Waiver

2.3.1 A student who is fundable must be recorded as such in the FES returns made by the College and must be clearly associated with an appropriate mode of study on both the evidence of enrolment and the FES returns.

2.3.2 The FES report generated from the SFC systems includes an analysis of further education fee waiver claims broken down by student source of funding code. Our review of the FES fee waiver analysis noted that the full-time further education fee waiver cost was £1,453,536, which equated to 1,442 full-time further education enrolments. However, cross checking the fee waiver data against the student enrolment data reported separately on the FES return we noted that there were 2,749 fundable full-time further education enrolments for 2022/23. The difference was highlighted to the College and upon further review it was identified that the difference included 1,004 full-time further education fee waiver students who had been incorrectly coded under the SAAS higher education fee waiver code. As a result, the full-time further education fee waiver cost reported in the FES was understated by £1,012,032.



2. Systems and Procedures for Compilation of Returns (continued)

2.3 Classification of Programmes / Fee Waiver (continued)

- 2.3.3 The error was identified after the FES had been submitted to, and agreed by, the SFC however the College notified the SFC of the error and was able to submit a revised FES.

Recommendation

R2 Ensure that as part of the College's in-year FES data integrity checks student source of funding codes are checked for accuracy.

3. Analytical Review

- 3.1 The analytical review by Price Group for the current year, included at Appendix III of this report, showed significant variances in Price Groups 1, 2, 3 and 5. These were discussed with College management. The explanations we received provided us with additional assurance that the Credits claim does not contain material errors. Overall, the decrease results mainly from a real terms reduction in funding in 2022/23 which led to a reduction in teaching activity across all Price Groups:

- Price Group 1: decrease of 2,237 Credits due to a reduction in higher education full-time provision of approximately 133 enrolments. This was partially offset by a substantial increase of the further education part-time provision of approximately 480 enrolments;
- Price Group 2: decrease of 9,382 Credits due to a substantial reduction in further education part-time provision of approximately 1,353 enrolments, nearly all of which were YPG;
- Price Group 3: decrease of 7,864 Credits due to a substantial reduction in further education full-time provision of approximately 571 enrolments; and
- Price Group 5: decrease of 1,009 Credits, again due to a reduction in activity as a result of the decrease in total Credits allocated.



Appendix I – Copy of Audit Certificate

City of Glasgow College
City Campus
190 Cathedral Street
Glasgow
G4 0RF

11 October 2023

Dear Sir or Madam

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

We have audited the FES return which has been prepared by City of Glasgow College under SFC's Credit Guidance for colleges issued 31 May 2022 and which has been confirmed as being free from material misstatement by the College's Principal in his Certificate dated 5 October 2023. We conducted our audit in accordance with guidance contained in the 2022-23 audit guidance for colleges. The audit included an examination of the procedures and controls relevant to the collection and recording of student data. We evaluated the adequacy of these controls in ensuring the accuracy of the data. It also included examination of evidence relevant to the figures recorded in the student data returns. We obtained sufficient evidence to give us reasonable assurance that the returns are free from material misstatements.

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
- we can provide reasonable assurance that the FES return is free from material misstatements.

Stuart Inglis
Director
For and on behalf of Henderson Loggie LLP
Chartered Accountants
Dundee Office
stuart.inglis@hlca.co.uk

11 October 2023

Date FES returned: 6 October 2023



Appendix II – Summary of Adjusted and Unadjusted Errors

Report Para	Error identified	Adjusted/unadjusted	Approx. Value
2.2.3	Credits claimed for Associate Students enrolled on a higher education articulation programme.	Adjusted	-89.6 Credits



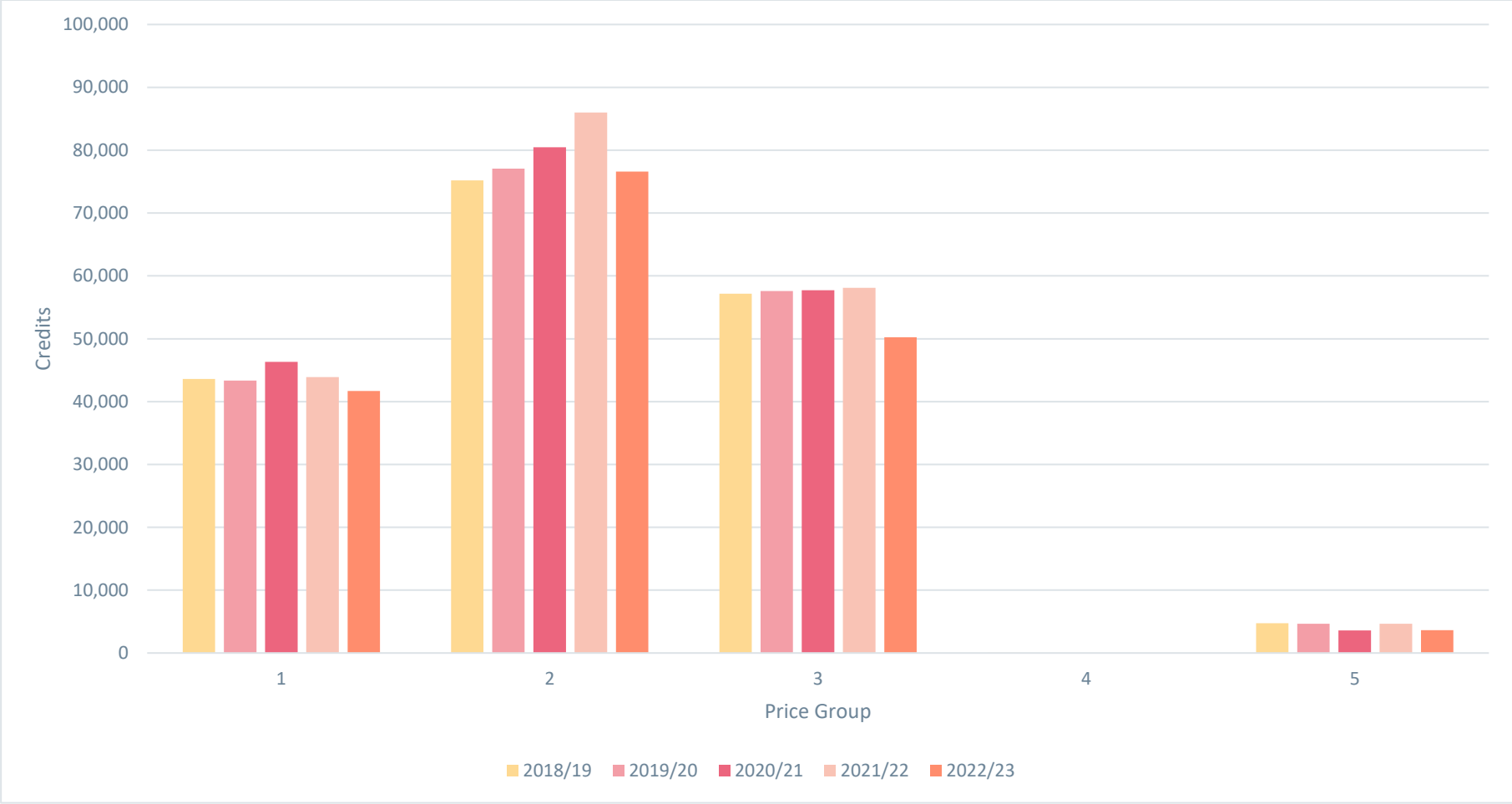
Appendix III – Price Group Analytical Review 2021/22 and 2022/23 – Figures

Price Group	2021/2022		2022/2023		Variance	Variance
	Credits		Credits		Credits	%
1	43,913		41,676		(2,237)	(5.1)
2	85,995		76,613		(9,382)	(10.9)
3	58,091		50,227		(7,864)	(13.5)
4	0		0		0	0
5	4,647		3,638		(1,009)	(21.7)
	192,646		172,154		(20,492)	(10.6)

College Funded Target 2022/23: 175,333 Credits



Appendix IV – Price Group Analytical Review 2018/19 to 2022/23 – Graph



Appendix V – Updated Action Plan – Student Activity Data 2021/22

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress at October 2023
<p>Systems and Procedures for Compilation of Returns</p> <p>Work Based Learning</p> <p>R1 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.</p>	3	We have already raised these issues with the delivery department. We will agree a more robust process for recording and monitoring work-based learning training.	Yes	Vice Principal Corporate Services	March 2023	<p>No issues noted from testing of in 2022/23.</p> <p><i>Fully Implemented</i></p>



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