Board of Management

Audit & Assurance Committee

Date of Meeting	Wednesday 27 November 2024
Paper No.	AAC2-F
Agenda Item	5.5
Subject of Paper	Internal Audit Annual Report 2023-24
FOISA Status	Disclosable
Primary Contact	Henderson Loggie
Date of production	18 November 2024
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 2023-24.

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 2023-24 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 2023/24 and since our original appointment'.

3. Impact and implications

Refer to internal audit report.

Appendix: Internal Audit Annual Report 2023-24

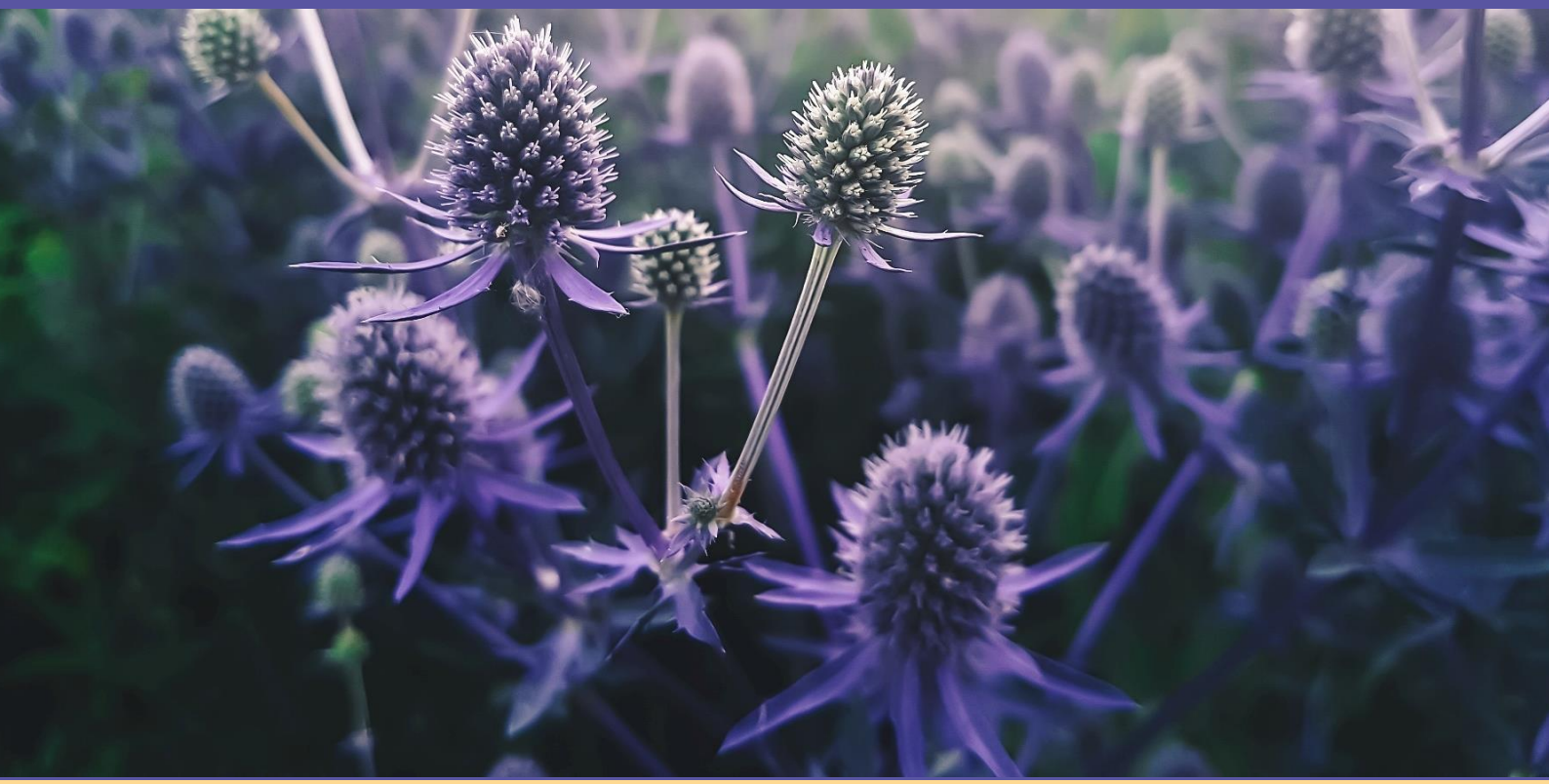
City of Glasgow College

Annual Report to the Board and the Principal on the Provision of Internal Audit Services for 2023/24

Internal Audit report No: 2024/15

Draft issued: 14 November 2024

Final issued: 18 November 2024



Henderson Loggie

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Annual Report and Opinion

Introduction

1.1 We have been 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, which has now been invoked. This report summarises the internal audit work performed during 2023/24.

1.2 An Audit Needs Assessment (ANA), based on the areas of risk that the College is exposed to, was prepared as part of our internal audit programme for 2021/22 (internal audit report 2022/01, issued February 2022). The ANA was prepared following discussion with the College Senior Management Team and from a review of various College documents including previous internal and external audit reports. The ANA was based on the College's risk register supplemented by our own assessment of the risks faced by the College. Following on from the ANA a Strategic Plan was formulated, covering the normal three-year internal audit cycle, and this was approved by the Audit and Assurance Committee, together with the ANA, at its meeting on 2 March 2022.

1.3 The annual operating plan for 2023/24 showed several changes to the allocation set out in the original Strategic Plan.

- 5 days were added for a review of Cleaning Management, which was deferred from 2022/23 into 2023/24. This change was originally made to incorporate a review of the College subsidiary company, requested by the Audit and Assurance Committee, into the internal audit plan for 2022/23. The subsidiary company review was subsequently deferred at the request of College management, as it was considered to be too early for the audit;
- 5 days were added at the request of College management to undertake a review of the College's Severance Schemes; and
- 8 days were added at the request of College management to incorporate the year-end Student Support Fund audits required by the Scottish Funding Council (SFC) and the Student Awards Agency for Scotland (SAAS) into the internal audit plan. These audits had historically been undertaken by the College's external auditors.

1.4 The reports submitted during 2023/24 are listed in Section 2 of this report and a summary of results and conclusions from each finalised assignment is given at Section 3. The work delivered for the year was in line with the approved Annual Plan 2023/24.

1.5 An analysis of time spent against budget is shown at Section 4.

Public Sector Internal Audit Standards (PSIAS) Reporting Requirements

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 (continued)

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.

1.8 External assessment is built into our firm-wide quality assurance procedures. Henderson Loggie LLP is a member of Prime Global, a global association of independent accountancy firms. Continued membership of Prime Global is dependent on maintaining a high level of quality and adhering to accounting and auditing standards in the provision of our services. An independent review was undertaken during May / June 2024 of the firm's policies and procedures relating to internal audit services and their application to the firm's internal audit clients. The independent review confirmed that Henderson Loggie was, in all material respects, compliant with the requirements of PSIAS.

Significant Issues

1.9 From the testing of controls and validation of processes resulting from the agreed scope of works for 2023/24, there were no issues identifying major internal control weaknesses noted from the internal audit work carried out during the year. 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. The agreed actions will be followed-up as part of our planned activity in 2024/25.

Opinion

1.10 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 2023/24 and since our original appointment.

Reports Submitted

Number	Title	Overall Grade	Recommendations	Priority 1	Priority 2	Priority 3
2024/01	Annual Plan 2023/24	**N/A**	N/A	N/A	N/A	N/A
2024/02	Libraries and Learning Technologies (L&T Academy)	**Good**	1	-	-	1
2024/03	Severance	**Good**	-	-	-	-
2024/04	Leadership & Management Development	**Good**	3	-	-	3
2024/05	Business Engagement Incl. Skills Academies	**Good**	-	-	-	-
2024/06	Quality Assurance and Enhancement	**Good**	2	-	-	2
2024/07	Payroll	**Good**	-	-	-	-
2024/08	IT Network Arrangements / Security	**Satisfactory**	4	-	1	3
2024/09	Teaching Staff Utilisation / Timetabling / Space Management Business Process Review	**N/A**	-	-	-	-
2024/10	Cleaning Management	**Satisfactory**	2	-	-	2
2024/11	Project Management	**Satisfactory**	2	-	1	1
2024/12	Student Fees	**Good**	-	-	-	-
2024/13	2023/24 Student Activity Data	**Audit opinion unqualified**	1	-	-	1
2024/14	2023/24 Student Support Funds	**Audit opinion unqualified but observations made**	2	-	2	-

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.

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

2024/01 – Internal Audit Annual Plan 2023/24

Final Issued – August 2023

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 2024. The plan was based on the proposed allocation of audit days for 2023/24 set out in the 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 (although refer paragraph 1.3 above).

The outline scope and objectives for each audit assignment to be undertaken during 2023/24, 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.

2024/02 – Libraries and Learning Technologies (L&T Academy)

Final Issued – February 2024

This audit reviewed the learning technologies utilised in all College libraries and classrooms and the use of digital learning tools to enhance the learner experience.

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

Strengths

- There is strong connection between the LTA, Digital Services, and curriculum areas which is designed to ensure that the teaching and learning technology needs of staff and students are identified and actions are initiated to address any gaps identified;
- There is a framework established by curriculum areas to assess their technology needs via the annual curriculum enhancement and portfolio review processes;
- There is a dedicated LTA Portal in place for staff and students to provide access to information on offerings and support, including helpdesk support;
- The LTA Portal identified the Learning Wheel that allows linkage between learning technology and learning outcomes;
- There is clear division of responsibilities for the management of learning technologies and related licenses are well understood between LTA and Digital Services;
- Where possible, metrics are used to assess the usage of learning technologies, such as within Library services and for the uptake of the College's VLE, Canvas;
- The College surveys staff and students annually. This includes survey using the Jisc Insight Tool allowing the College to benchmark its digital offerings across the UK. Improvement actions are taken forward by the LTA team;
- Acknowledging need for digital inclusion, the College has established a laptop loan scheme whereby students can borrow laptops for a day. A two-day loan scheme is under development. Hardship funds are also established for students who are experiencing issues with digital accessibility. Information on these schemes is available on the Student Portal;
- It was evident that there is a strong culture of continuous improvement in the learning technology offerings, their accessibility, and support provided to staff and students. Improvement actions are taken forward by the LTA teams;

The objective of this audit was to obtain reasonable assurance that:	Grade
1. The College has exploited the potential of new technology in order to widen access to the curriculum and enhance the learner experience	**Good**
2. Adequate licensing and copyright arrangements are in place	**Good**
3. Investment in new learning technologies aligns with curriculum planning	**Good**
4. Resources are aligned with the needs of both staff and learners as captured through feedback mechanisms	**Good**
5. Sufficient service desk support is available to maintain access to online learning platforms out of normal College hours	**Good**
6. There are appropriate monitoring and reporting frameworks in place to ensure that the use and benefits from the investment in learning technologies are as intended	**Good**
Overall Level of Assurance	**Good**

2024/02 – Libraries and Learning Technologies (L&T Academy) (Continued)

Strengths (continued)

- The class representative (rep) process ensures direct feedback from students to faculties to address immediate issues. Feedback is also sought via Class Reps by the Student Association, and in November 2023 the Class reps provided specific feedback on the use of Canvas;
- There is appropriate management of learning technology licenses;
- The College rolled out a new IT Helpdesk that aligns to good practice. There is planning to link the IT helpdesk with helpdesks established by the LTA teams so to centralise support and reporting; and
- Governance frameworks are established to provide reporting on feedback and utilisation and performance metrics to the Executive Management Team, where appropriate, or Board committee.

Opportunity for Enhancement

- While guidance for staff and students on the use of Artificial Intelligence (AI) is available online, our sample testing of LTA arrangements with Curriculum Heads noted inconsistency in their understanding on the College's stance on its use by students. This could impact the overall conformance of staff and students with the College's advice. There is also absence of a risk associated with the use of AI, Virtual Reality, and Augmented Reality tools on the College's risk register (December 2023) in order to drive discussion on potential threats or opportunities to the College.

2024/03 – Severance Schemes

Final Issued – March 2024

The scope of this review was to examine the context of the recent Voluntary and Compulsory Severance Schemes, and ensure that, in consultation with individual members of staff and the relevant Trade Unions, that the College had considered all alternative courses of action to minimise, mitigate or eliminate the need for compulsory redundancies.

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

Strengths

- From our review of the updated budget for 2022/23, financial planning conducted for 2023/24 and beyond, consultation and implementation of the 19 mitigations and interventions to reduce costs and grow income and subsequent reporting of these, and implementation and revision of business plans to support departmental changes, we have concluded that the College implemented a thorough and robust process to identify and exploit opportunities to achieve the revenue savings required for financial years 2022/23 and 2023/24;
- Through discussion with members of the Executive Leadership Team (ELT), Project Management Office (PMO) staff, and review of supporting documentation, we noted that the severance schemes and associated organisational change were carefully planned and implemented effectively;
- From our review of Board and sub-committee papers, and supporting documentation, we noted evidence of the Board undertaking a robust scrutiny of the severance schemes during 2022 and 2023, including challenging management's cost analysis, reviewing the impact on budgets, the impact of organisational change before approving the VS and compulsory redundancy schemes, and reviewing the Trade Unions proposals;
- We confirmed that the College had followed the procedures outlined within the SFC's guidance for seeking approval for VS schemes, with the scheme approved in advance by GCRB and the SFC, in line with the relevant guidance;
- We noted that the College has a well-established communications strategy, which is aligned with the wider College strategic objectives. We noted that the College clearly communicated the rationale for the severance schemes to the different stakeholder groups, staff and Trade Unions, including the financial challenges faced by the College and the need to make savings and grow revenue.

The objective of this audit was to obtain reasonable assurance that:	Grade
1. The decision to complete severance schemes has been scrutinised by internal and external governance groups, with all alternative measures to redundancy appropriately evaluated and explored.	**Good**
2. The planning and organisation for implementing the severance schemes and associated organisational change was in place.	**Good**
3. Implementation of severance schemes have been completed in line with College's policies and are aligned with relevant SFC and SPFM guidance.	**Good**
4. There was the effective deployment of Internal and external communication strategies to ensure appropriate staff, students Trade Union and wider stakeholder engagement to explain of the rationale for and status of Severance Schemes.	**Good**
5. The impact of the severance scheme on the College's long term financial sustainability and on staff morale and wellbeing examining mitigating actions (including staff vacancies/redeployment) established to support those individuals most affected.	**Good**
Overall Level of Assurance	**Good**

2024/03 – Severance Schemes (Continued)

Strengths (continued)

- Business cases and the compulsory redundancy consultation processes sought to identify critical posts and the impact on departments arising from a reduction in full time equivalents (FTEs), and any relevant support and mitigations required. The results of the severance schemes and changes to business plans were monitored and fed into operational resource planning decisions, shared with the Trade Unions and published for staff; and
- The College demonstrated a collective recognition of the emotional impact on staff and the uncertainty around job security during a severance scheme exercise which can cause staff anxiety and stress. The College attempted to mitigate those impacts through clear and regular communication with managers and staff on the rationale for the severance schemes, the processes involved, and the outputs from the consultation exercises and evaluations conducted. Organisational Development staff offered training to managers on how to support their staff during organisational change, and staff were also offered training and support in relation to managing stress and maintaining personal wellbeing.

Opportunities for Improvement

- No significant weaknesses, in the context of the audit scope and objectives, were identified during our review; and
- At the time of our review, staff interviewed acknowledged that there may be longer term effects of the severance schemes on team dynamics, staff motivation, and morale. The College will continue to monitor the position, in order to flag potential signs of reduced performance in these areas, through feedback from managers, feedback from staff, employee absence rates and staff and student satisfaction surveys.

2024/04 – Leadership & Management Development

Final Issued – August 2024

Following on from our review into Leadership Reorganisation in 2019/20 (Internal Audit Report 2020/10), and with consideration given to the ongoing organisational changes underway at the College during academic year 2022/23 and 2023/24, we reviewed the training and support provided to the College's managers.

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

Strengths

- The People and Culture Strategy 2021-2030 identifies the vision for the College's workforce, with delivery supported by the annual People and Culture Operational Plan. Progress of the strategy is reported to the Board of Management.
- As part of the College organisational change and right-sizing programme, departments and faculties developed business cases outlining how their teams would be restructured and resourced to meet local objectives, and any succession planning requirements of business-critical roles.
- Where feasible, individuals were redeployed to ensure talent retention.
- We confirmed there are several measures established to ensure new and existing managers receive the appropriate support and training required for their role.
- Line Managers who we sampled highlighted the good work completed by the People and Culture and OD Teams and the frameworks established for training.
- The College has appropriate systems established to support talent management, including its Learner Experience Platform, MyDevelopment, that can be accessed by staff via the MyConnect intranet page.
- MyDevelopment can be used to track the experiences and skills of staff via a CV module that could be leveraged by management when considering succession planning or individuals to work on emerging projects. It also contains a full audit trail of training completed through the MyDevelopment system.
- A revised My Personal Development and Review (MyPDR) process is due for full launch across the College in August 2024. There is a robust internal communications plan being implemented by the OD Team that aims to ensure management and staff awareness of the process.
- There is an established OD Team who work closely with departments and individuals to ensure continuing professional development (CPD) is appropriate for their role

The objective of this audit was to obtain reasonable assurance that:	Grade
1. Identified the leadership and managerial skills required to deliver the Strategic Plan and departmental delivery plans.	**Good**
2. Taken appropriate steps to ensure that managers undergo a robust Personal Development Review (PDR) process that identifies training needs to address skill requirements of their role.	**Satisfactory**
3. A training appraisal process that assesses the priority and business need of Academic and Non-Academic training.	**Good**
4. A Leadership Development Programme that supports robust succession of business-critical roles.	**Good**
Overall Level of Assurance	**Good**

2024/04 – Leadership & Management Development (Continued)

Strengths (continued)

- There are controls established to appraise CPD proposals via the Staff Development Form found on the dedicated OD Hub page on the My Connect platform. All staff can also apply for an Enhancement of Qualifications by submitting an application and business case that is supported by their line manager and Dean / Director.
- There is a programme of training established for new and existing managers that can be readily accessed through MyDevelopment. The Learning & Teaching Academy (LTA) also has a programme established for teaching staff keen to advance in their roles.
- The College Principal has commissioned OD to develop an Executive Leadership Training Programme over 2024/25 that will be leveraged to develop a Future Leadership Programme for emerging talent to support future succession planning.
- There is an OD Operational Plan for 2024/25 established that adopts SMART practices.

Opportunities for Enhancement

There is requirement to set the tone from the top in relation to talent management and the deployment of processes that are optional to staff. However, the OD Policy (August 2014) has not adopted good version control practices to ensure that it has been updated in line with the College's People and Culture Strategy 2021-2030 and to set expectation for managers to support the College's talent management programmes. This issue is known to management and the OD Policy is due for review over the Summer 2024. To supplement this update, we have identified the following enhancements which should be considered as part of the review process:

- The MyPDR process has been in place for some time, but participation has remained optional, resulting in consistently low completion rates over the years. Although a re-launch is scheduled for August 2024, aiming for full staff participation, a recent pilot showed poor uptake, with only four out of 46 individuals completing their MyPDRs as expected. It is crucial for the College to clearly set expectations for managers to ensure their teams complete the MyPDRs in accordance with policy and to help identify and bring personal development needs into planning i.e. through an internal communications programme.

2024/04 – Leadership & Management Development (Continued)

Opportunities for Enhancement (continued)

- Completion of the Core Skills for Managers Programme is optional, with no essential components for new managers to complete, or existing managers to refresh their knowledge. As a result, participation rates for the programme have been reported as low. Expectations for managers to complete the programme should be communicated in policy and reinforced through internal communications. Consideration should be given to this becoming essential.
- The CV module on MyDevelopment is not consistently completed. Only 23 support staff and 124 academic staff members have updated their skills and experiences. This could impact the College's ability to identify emerging talent for succession planning purposes. An internal communication programme to highlight the benefits of utilising MyDevelopment, and the essential elements to be completed, should be developed and implemented.

2024/05 – Business Engagement Incl. Skills Academies

Final Issued – February 2024

The scope of this audit was to review the College activity in relation to business engagement covering Skills Academies, and the wider engagement with industries by the Business Development Team, FWDF and YPG.

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

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

Strengths

- The College is committed to partnership working and supporting the Glasgow Region, its economy and delivering courses that meet the needs of Glasgow communities, including schools as well as adult learners, employers and residents;
- A Corporate Development Strategy 2021-2030 is established which aligns with the College's overall Strategic Plan (2017 – 2025) and outlines the main aims and objectives for developing and enhancing partnership working across the College;
- The Business and International Operational Plan includes key annual deliverables and targets which align with the aims of the Corporate Development Strategy as well as other relevant strategies across the College;
- There is a robust management and staffing structure within the City Enterprises Business Development (BD) Team for supporting faculties and clients and enhancing partnership working throughout the College;
- Our discussions with Faculty management noted that support from the BD Team is excellent and there has been considerable time spent with BD staff to increase understanding of the work that goes on in faculties which is maintained by regular attendance by BD staff at Faculty meetings;
- It was noted during the review that despite challenging funding environments, structural change at the College and localised industrial action in recent years, the BD Team has continued to deliver on its objectives and targets;
- Faculties have undertaken a range of activity to strengthen strategic partnerships and create opportunities for students on industry led projects and for work experience 'on and off campus', despite the College facing significant ongoing financial challenges;

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

2024/05 – Business Engagement Incl. Skills Academies (Continued)

Strengths (continued)

- Despite the disappointment for the College and FWDF clients of FWDF funding being withdrawn for 2023/24 and 2024/25, the BD Team has been innovative and proactive in addressing ways to maintain the relationships they have built with businesses through the fund;
- The Business and International Risk Register summarises the key risks to achieving the objectives set out in the Business and International Operational Plan as well as mitigating actions and assurance work underway by management. This is discussed at All-Manager and Directorate team meetings and is reported to the Development Committee three times per academic year;
- A set of impact measures are established with the College's Performance Team and performance is measured against these annually with reporting to the Executive Leadership Team (ELT), the Directorate, and the Development Committee on progress; and
- There is regular review of activities by the Development Committee of the Board of Management which has responsibilities to review the College's commercial and international activities ensuring alignment with the College's Strategic Plan.

Opportunities for Improvement

- The CRM system 'HubSpot' is used and well established for tracking and managing all domestic commercial partnerships in place. The BD Team hopes to extend use of this to include all international partnerships and further partnerships maintained independently by faculties. Work is already underway to discuss this as part of an IT working group therefore no specific recommendation has been raised in this report.

2024/06 – Quality Assurance and Enhancement

Final Issued – March 2024

This review took a deep dive into policies and practices from the wider College's approach to quality, improvement and enhancement to that of individual Faculties. We also reviewed the College's preparedness for the new quality framework planned for AY 2024-25.

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

Strengths

- The College's arrangements for quality assurance and enhancement align with the SFC Guidance to Colleges and Universities on Quality Academic Year (AY) 2022-23 and AY 2023-24: Refresh (August 2023);
- There is readiness for new Tertiary Enhancement and the change from ES to Quality Assurance Agency (QAA) cycle of inspections from August 2024;
- The College takes a strategic approach to quality assurance, improvement, and enhancement and has a dedicated Performance Team that is led by the Director of Excellence, who in turn reports to the Principal, ensuring top-management insight to quality enhancement arrangements;
- The College Strategic Plan 2021-2030 aims '*to deliver excellence in performance*' and aligns with the Glasgow Region's focus around quality, as set out within the Glasgow Colleges Regional Outcome Agreement;
- The College has an Operational Planning Cycle across Faculties and Directorates that ensures delivery of the strategy and links into the quality assurance and enhancement arrangements;
- The College has an established Quality Management Cycle (Procedures updated in November 2023) that involves review and reporting across three quality levels: course, the curriculum area, and Faculties as a whole. Central to the process is the identification of courses that are underperforming, particularly in terms of the successful completion of learners, and progress against the College achieving its Student Academic Experience Strategy;
- Student partnership and feedback is embedded within quality processes at a Faculty and College-wide levels. The College has an active Students' Association and Faculty / Class Rep programme that supports curriculum quality review and enhancement;

The objective of this audit was to obtain reasonable assurance that:	Grade
1. The College has documented its approach to quality assurance, improvement, and enhancement with a clear focus for students via its Outcome Agreement and strategies.	**Good**
2. Processes and procedures for self-evaluation ensure clear alignment between the strategic approach and day-to-day activity.	**Good**
3. Enhancement and improvement activity identified within the College's Self-Evaluation and Action Plan (SEAP) and areas identified for improvement by Education Scotland (August 2023) are being progressed.	**Good**
4. Processes are established for the College to engage with external quality partners.	**Good**
5. The quality processes ensure student partnership and engagement in line with sparqs' *Student Engagement Framework for Scotland.*	**Good**
6. Appropriate governance processes are established to scrutinise the College's approach to quality, improvement, and enhancement.	**Good**
Overall Level of Assurance	**Good**

2024/06 – Quality Assurance and Enhancement (Continued)

Strengths (continued)

- On a day-to-day basis, processes are established for Faculties to self-evaluate to ensure that performance aligns to expected practice;
- Enhancement is central to the College quality culture. A new Curriculum Enhancement Process (CEP) is being introduced for the first time during the current academic year, as documented in the Quality Assurance and Evaluation Committee (QAEC) Quality Cycle Procedure (August 2023). It sets out Faculty requirements, the support provided to teaching staff i.e. key workshops, and the operational and governance framework that includes mid-year reviews of progress with the Vice Principal (VP) Student Experience, Deans and the Performance Team;
- Outcomes from ES inspections and thematic reviews are captured within the College's Enhancement Plan that adopts SMART practice. The latest Enhancement Plan (November 2023) captures the ES Improvements (August 2023) that are known to the College and being progressed and monitored via the quality assurance governance framework;
- There is a culture of continuous improvement. Within Faculties this is evidenced through Internal Verification (IV) which feeds into course refinement or lecturer continuous personal development (CPD). Internal audit processes are established and managed by the Performance Team. This provides a proactive mechanism of self-review of the College's compliance with external partner standards for action planning;
- The AY2023-24 Performance Team Annual Tasks spreadsheet is managed by the Performance Team to track the quality assurance programmes (internal and external) and reporting requirements across the academic year. The tracker includes roles and responsibilities of Performance Team Coordinators and other management staff who should be involved from across the College. This supports resource planning for the Performance Team; and
- Our work indicated that the College's arrangements align with sparqs' *Student Engagement Framework for Scotland* and the *Six Features of Student Engagement*, i.e. the College ensures a culture of engagement, student as partners, values the student's contribution, responds to diversity, focus on enhancement and change, and provides appropriate resources and support;

2024/06 – Quality Assurance and Enhancement (Continued)

Strengths (continued)

- There is a robust operational and governance framework established that ensures that quality review outcomes from across the College are reviewed for enhancements and any co-dependency.

Opportunities for Improvement

- No significant weaknesses in the College's budget setting, forecasting, or monitoring processes were identified during our review.
- The College, in line with the wider HE/FE sector, faces substantial financial challenges due to continued and persistent inflationary costs pressures, flat cash funding from the SFC, and uncertainty regarding the outcome of future staff pay settlements (particularly if final settlements are above the increases which have been factored into the approved College budget for 2023/24). Whilst the College has undertaken scenario planning and sensitivity analysis to identify potential impacts on budgets, and actions have already been approved to improve future budget outcomes (including organisational restructuring, voluntary severance, and operational efficiency measures) the College must continue to maintain vigilance, through a dynamic review process over the financial position, as it has demonstrated over the last 12 months.

2024/07 – Payroll

Final Issued – March 2024

This audit considered the key internal controls in place over the College's spend on staff costs of approximately £63m per annum (for the financial year ending 31 July 2022). Our audit covered the procedures in place within both the Human Resources and Payroll teams.

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

Strengths

- The College's Financial Regulations and Payroll Procedures clearly define roles and responsibilities for the College's payroll process and provide comprehensive practical guidance for staff;
- The College utilises an integrated HR and Payroll system – iTrent - which is segregated between HR and Payroll staff;
- Sample testing verified that gross pay and deductions had been correctly calculated, with salaries, rates and non-statutory deductions agreed to the relevant source documentation, with one exception noted (refer to ***Points to Note***);
- Payments to part time staff who work variable hours and staff claiming overtime are made on the basis of timesheets which are appropriately signed and dated by the employee submitting them, verified by the appropriate Curriculum Head / Manager and finally authorised for payment by the appropriate Associate Dean / Director. The timesheets are also reviewed by the payroll department prior to being processed for payment. Sample testing confirmed that this process operated in all cases tested with correct payments made and no issues noted;
- Staff expense claims are made using standardised forms and receipts must be attached for all expenditure reported. The forms are signed and authorised, as well as reviewed by the Payroll or Finance department (for petty cash) prior to being processed for payment. Sample testing confirmed that this process operated in all cases with correct payments made and no issues noted;

The objective of this audit was to obtain reasonable assurance that:	Grade
1. Correct calculation of gross pay and deductions	**Good**
2. Correct calculation of employer national insurance and superannuation contributions;	**Good**
3. Part-time lecturers, overtime and staff expenses payments are properly authorised	**Good**
4. Approval and checking of changes to employee standing data	**Good**
5. Starters and leavers are properly treated and enter and leave the system at the correct dates	**Good**
6. Proper authorisation, processing and recording of payments	**Good**
Overall Level of Assurance	**Good**

2024/07 – Payroll (Continued)

Strengths (continued)

- Changes to employee standing data are made through a self-service portal, allowing staff members to make changes to key information as required. The amendments are independently confirmed with the employees by payroll staff and all changes are reviewed as part of preparing the payroll for payment. Sample testing noted no issues in regard to the process;
- HR is responsible for ensuring that all new appointments are accurately notified to the payroll department, and they utilise a New Starter Payroll form which is prepared, checked, and authorised by three separate staff members, before being sent to the payroll department for processing on the iTrent system. Payroll review the information and annotate the form with calculations of the employee's first pay. Sample testing noted that the relevant supporting documentation was in place and agreed to the data on the iTrent system;
- For leavers, a Termination Form is prepared, checked, and authorised by three separate HR staff members, and is then forwarded to Payroll for processing.
- The employee's termination date is set on iTrent by HR and checked by Payroll to ensure accuracy. The Termination Form is annotated with a calculation of the employee's last pay, ensuring that all relevant pay elements have been captured.
- Our sample testing confirmed that the relevant supporting documentation was in place, that calculations of last payroll were accurate, and that the actual termination date agreed to the information recorded on the iTrent system;
- Comprehensive exception and variance reports are utilised when preparing each payroll. These are reviewed and any anomalies identified are investigated by the Payroll Manager; and
- Sample testing confirmed that there was appropriate checking and authorisation of payroll-related payments, which ensured adequate segregation of duties.

2024/07 – Payroll (continued)

Points to Note

- We noted that for one staff member sampled, the relevant source documentation for their credit union deductions was unable to be located. This is because the deductions have been in place for an extended period of time and the latest amendment impacting them occurred in 2014. We confirmed that is an isolated case and therefore no specific recommendation has been raised in relation to this point, although we note that it would be good practice to introduce annual checks on all non-statutory payroll deductions to ensure that they are made accurately in line with any supporting documentation.

2024/08 – IT Network Arrangements / Security

Final Issued – April 2024

This audit included a review of the College's current position with regard to information and cyber security in order to advise on areas that should be addressed in line with the latest guidance produced by the NCSC, the UK Government's national technical authority for information assurance.

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

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

- a risk management regime has been established, which includes identifying cyber security as key strategic and operational risks, and there are structures in place which act as appropriate bodies for evaluating and monitoring information security risks within the College;
- hardware and software inventories have been created along with processes and tools for asset identification;
- processes are in place for applying updates and patches to all College managed devices which connect to the College network;
- the IT architecture protects the College network through use of firewalls and direct connections to untrusted external services, and protects internal IP addresses;
- management of user accounts is linked to the College's starter, leaver and change of role procedures;
- administrator access to network components is carried out over dedicated network infrastructure and secure channels using communication protocols that support encryption;
- Two-factor authentication (2FA) is in place for access to all corporate systems and data;

The objective of this audit was to obtain reasonable assurance that:	Grade
1. The internal controls in place which ensure that the security of the ICT network, the configuration of key elements of ICT infrastructure which protect access to data, plus the policy and procedures giving guidance as to how security should be managed by both the IT department and users is in line with the NCSC 10 Steps to Cyber Security guidance.	**Satisfactory**
Overall Level of Assurance	**Satisfactory**

2024/08 – IT Network Arrangements / Security (Continued)

Strengths (continued)

- data in transit is protected through encryption and secure communication channels;
- standard baseline security builds have been established for all College managed devices to ensure the consistency of security configurations;
- Processes are in place to regularly test and monitor the effectiveness of cyber security training. Training is supported through regular communication of good practice to promote a positive cyber security culture;
- network hosts and endpoints are protected by an antivirus solution, which automatically scans for malware;
- tools are deployed to allow anomalous activity to be detected in a timely manner and the potential impact of events to be understood; and
- the College successfully obtained its recertification for Cyber Essentials Plus in December 2023, demonstrating that recognised security management good practice is being applied which has been subject to external independent scrutiny.

Weaknesses and Opportunities

We identified several opportunities for improving the robustness of the control environment to reduce the potential for cyber-attack and data loss. These include:

- improving monitoring of mandatory cyber security training compliance;
- reviewing external user access to College Microsoft Teams groups and user permissions for external and third-party systems used by the College;
- validating the College's backup and recovery capability through real time restore of back-ups; and
- improving cyber security incident identification and reducing incident response times through automatically prioritising and escalating cyber security incident service desk tickets.

2024/08 – IT Network Arrangements / Security (Continued)

Weaknesses and Opportunities (continued)

In Internal Audit report 2021/05 – IT Network Arrangements / Security, which was issued in November 2021, it was reported that the security of the College IT network was at risk of compromise due to the building access and CCTV systems, which are managed by FES, being connected to the College network. It was previously identified that those systems had not been patched or updated since they were first installed in 2016. We noted that the College has since raised these concerns with FES at a senior level and patching issues have been resolved. The College is planning a further reconfiguration of its network later in 2024, at which point FES will move the buildings access and CCTV systems to a separate network.

The implementation of the recommendations in this report will reduce the College's current risk position; and will enhance the College's ability to manage IT security risks on an on-going basis.

2024/09 – Teaching Staff Utilisation / Timetabling / Space Management Business Process Review **Final Issued – May 2024**

The scope of this assignment was to carry out a review of the College's current procedures for the various stages of the processes for timetabling, preparation of staff allocation models, and teaching space utilisation, with a view to identifying and removing waste from the current processes and proposing procedural improvements. It was completed as a Business Process Review.

The main objectives of the assignment were to ensure that:

- The anticipated outcomes for all internal stakeholders from the timetabling, staff utilisation and teaching space utilisation processes are clearly defined and connect to the staffing budget;
- The value of services provided as part of the timetabling, staff utilisation and teaching space utilisation processes are quantified from a student perspective and from the perspective of external stakeholders;
- Steps which do not add value are identified with a view to eliminating them;
- Steps that create value occur in tight sequence and are reflected in an efficient and effective timetabling, staff allocation modelling process and teaching space utilisation; and
- Arrangements are in place to deliver consistency in the timetabling, staff utilisation and teaching space utilisation processes by embedding any agreed revisions in updated operating procedures for the College.

We walked through the timetabling procedures with the Associate Dean of MIS who also leads the Student Records and Timetabling Teams and walked through the timetabling process with the Timetabling Team Manager.

We also held two facilitated workshops with a sample of Associate Deans and Curriculum Heads, and interviewed the Student President and Head of Student Recruitment and Funding. Through these discussions we identified opportunities for removing inefficiency and waste from the current timetabling, staff utilisation, and teaching space utilisation processes.

We discussed recommendations with the Associate Dean of MIS on 28 March 2024. The agreed recommendations were then prioritised by the Associate Dean of MIS and an action plan developed. The action plan presented in this report considers any changes required to existing operating procedures to ensure that any changes to the timetabling, staff utilisation and teaching space utilisation modelling processes are deliverable and embedded across the College.

2024/09 – Teaching Staff Utilisation / Timetabling / Space Management Business Process Review (continued)

Staff utilisation, space utilisation and overall timetabling processes at the College are robust and data driven.

- The Timetabling Procedures 2024/25 define the timetabling rules and requirements for tracking staff utilisation.
- There is a calendar of key milestones to support faculties deliver timetables for the 2024/25 academic year.
- There is a dedicated Timetabling page on MyConnect for staff to access timetabling information.
- There is a dedicated Timetabling Team with Timetabling Officers aligned to Faculties as timetabling partners.
- There is a culture of continuous improvement in timetabling driven by the Associate Director Student MIS and facilitated through the Timetabling Review Group which acts as a forum to discuss any process improvements.
- The College has used its reporting tool, Enquirer, to track information relating to teaching space utilisation and staff utilisation, and it is the key source for timetabling.
- Information on staffing within Enquirer is fed from the College HR system, iTrent, including working patterns.
- Course and student information is fed into Enquirer from UnitE.
- The use of Enquirer for reviewing staff utilisation is embedded across faculty teams sample tested.
- The Associate Director Student MIS completes timetabling compliance, space and staff utilisation reviews with outcomes reported to faculties for discussion via Faculty Timetabling Reports.
- A Faculty Timetabling Summary Report is provided by the Associate Director Student MIS to each Support Services Committee (SSC), Student Academic Experience Committee (SAEC) and the Academic Board.

The review identified six areas for investigation or improvement and all the identified actions are designed to enhance efficiency and effectiveness. No issues were identified during our review which would subject the College to material or significant risk.

No high priority areas for investigation or improvement were noted during the review. There were three medium priority points in relation to:

- Developing guidance for Curriculum Heads on how to manage staff utilisation data on Enquirer during periods of industrial action;
- Ongoing support to Curriculum Heads on timetabling good practices; and,
- Developing guidance with faculties on how best to communicate any delay to publishing timetables to students (and staff) at the beginning of semesters so to set expectations.

Two low priority points were also identified.

2024/10 – Cleaning Management

Final Issued – August 2024

This study was designed to review the College's in-house Cleaning Service.

The main objective of our audit was to establish whether the College cleaning service offers value for money.

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

Strengths

- The College has a Facilities Management team in place to oversee the in-house cleaning service and help ensure a high standard of delivery.
- Cleaning Team Leaders are in place at both College campuses and are responsible for monitoring the quality of work and overall service delivery.
- Cleaning cupboards are in place across all floors in both campuses for ease of access and efficiency purposes.
- The quality of cleaning is assessed regularly through visual inspection by the Cleaning Team Leaders, Facilities Manager and Head of Facilities.
- Weekly meetings are held between the Head of Facilities, the Vice Principal People and Corporate Support and the Head of Estates to discuss topical issues within the College.
- Control of Substances Hazardous to Health (COSHH) training is in place for all staff as part of the induction training.
- COSHH documentation is available for review in the cleaning cupboards across both campuses.
- Quarterly performance reviews are held between Cleaning Team Leaders and the cleaning staff to help ensure continuous improvement.
- Absence and turnover statistics are monitored by the Head of Facilities on a regular basis with Human Resources reporting in place.
- The cleaning budget is set for each year based on the previous year's figures to incorporate average sickness etc. and any ad hoc events such as Open Days / Evenings and Graduations, with this monitored on an ongoing basis throughout the year.

The specific objectives of our audit were to establish whether:	Grade
1. Cleaning standards are being utilised, and the quality of cleaning is monitored and reported regularly.	**Satisfactory**
2. Training opportunities are readily available for cleaning staff.	**Satisfactory**
3. Staff turnover, vacancy and absence rates are being recorded and monitored.	**Good**
4. Service level agreements are in place and are being utilised.	**Satisfactory**
5. Cleaning budgets are closely monitored.	**Good**
Overall Level of Assurance	**Satisfactory**

2024/10 – Cleaning Management (Continued)

Strengths (continued)

- Monthly budget meetings are held between the Head of Facilities and the College's Finance team to ensure the service is spending in line with management expectations.
- Authorisation of purchases of products and staff overtime go through the Facilities Manager, Head of Facilities and Vice Principal People and Corporate Support to ensure all additional costs are sufficiently approved.

Weaknesses

- There is no formal audit process in place for periodically inspecting and documenting the quality of work undertaken by the cleaning staff across both the College campuses to ensure that it is consistently performed to an adequate standard.
- There are no formal training mechanisms in place for ensuring the cleaning works are undertaken in a consistent manner across the campuses, with reliance placed on the skills held by existing staff to train new starts on-the-job.

Actions already in progress

- The College is in the process of formally documenting its cleaning standards in a Service Level Agreement (SLA). If implemented in its current form, this will include an aim to ensure that uniformed operatives who deliver the services are fully trained to British Institute of Cleaning Science (BICS) guidelines.
- The revised My Personal Development and Review (MyPDR) process due for launch across the College in August 2024 will enhance the development of the cleaning staff within the College.
- The Head of Facilities and Facilities Manager met with the cleaning staff in May 2024 to discuss their roles and identify any ways in which they can help to support the staff to help reduce absence rates and wider staff turnover, with actions raised from this to address the areas of concern

2024/11 – Project Management

Final Issued – August 2024

The scope of this audit was to review the project management arrangements in place at the College, and to review and test the policies and procedures for the planning, control, and monitoring of the College's projects.

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

Strengths

- Our discussions with a sample of Project Leads noted that they felt the current Project Co-ordinator is a great asset to the PMO and their contributions have allowed projects in recent years to deliver more than they otherwise would have;
- The PMO has a dedicated page on the College intranet ('myconnect') with a range of useful resources available to all staff, such as blank templates of the College's project management documentation and a video on how to best use these;
- There is a PMO Project Handbook in place which provides a single source of information for staff across the College on its project management approach and further guidance on each stage of the process. Flowcharts are included as appendices for the key processes involved;
- The College's 'Business Case' template includes a section on 'Strategic Context' which requires Project Managers to explain how the project aligns with the College's wider strategic priorities. A risk register must also be completed at the initial stage of a project;
- A proportionate methodology is agreed for managing projects of varying sizes. The College's approach is PRINCE2 aligned, and the Project Co-ordinator is currently undergoing a qualification in Agile project management;
- Feedback from a sample of Project Leads was that the PMO documentation is very helpful and allows projects to stay on track. Project Management Logs are a key document in use once projects are underway to track actions, risks and changes. A lessons log is also included to ensure that key learnings are documented;
- The Project Co-ordinator and Depute Principal & Chief Operating Officer meet on a fortnightly basis to discuss progress on all projects and any particular challenges or issues that have been encountered;

The objectives of the audit were to obtain reasonable assurance that:	Grade
1. The role of the PMO and the College's programme and project management framework have been communicated to relevant staff	**Satisfactory**
2. The project appraisal process ensures that all project proposals align to the College's strategic objectives	**Satisfactory**
3. Programmes / projects are managed using an agreed, proportionate project management methodology	**Requires improvement**
4. Risk management and contingency planning arrangements are in place for projects	**Requires improvement**
5. Progress made on projects, and expenditure against budget, is monitored by management and Board committees	**Satisfactory**
6. Appropriate arrangements are in place to challenge original assumptions and to revisit the planned outputs to ensure that projects adapt to meet changing needs	**Good**
Overall Level of Assurance	**Satisfactory**

2024/11 – Project Management (Continued)

Strengths (continued)

- A Project Board is in place for larger projects, providing an additional layer of monitoring;
- Project Progress and Status Reports are provided to the PMO by Project Leads, which include information on how projects are progressing and expenditure against budget. These are also reported to the Project Board where applicable. The PMO is responsible for reporting to Senior Management; and
- Once completed, projects are assessed to confirm whether they were delivered on time and on budget. Where the benefits are not fully measurable at this stage, a schedule is agreed to ensure these are reviewed at an appropriate time.

Weaknesses

- The PMO has experienced recruitment difficulties which have meant that it has had a vacancy for a second Project Co-ordinator for around two separate six-month periods in the last two years. This has coincided with a higher than usual workload for the PMO, due to its support with the College Transformation, and has therefore meant that resources within the department have been limited. The College has done all that it can in an attempt to fill the vacancies, but there has been a lack of suitable available candidates;
- The PMO Project Handbook has not been reviewed since it was first drafted around the time the PMO was set up. We noted specifically that the Handbook has not been updated to reflect the change in role of the PMO; and
- It was noted during audit testing that some of the project files in the sample tested did not include all of the documentation as set out in the PMO Project Handbook. The Project Co-ordinator explained that there can be issues with getting staff across the College to fully engage with the PMO consistently throughout a project, and complete all of the documentation that aligns with the College's project management framework.

2024/12 – Student Fees

Final Issued – August 2024

The main purpose of this review was to ensure that the policies, procedures and processes in place within Management Information Systems (MIS) and Finance for recording, processing, invoicing and receiving of student fees are effective.

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

Strengths

- The College maintains numerous guidance documents relating to the admission and enrolment of students, including an Admissions Procedure (last updated in January 2024) and a separate Enrolment Procedure, which has been reviewed and updated for the 2024/25 academic year. These documents provide detailed guidance and responsibilities to support these areas of the process.
- Enrolment is completed online by students. A link to the enrolment website is sent automatically once a student has accepted an offer on a course, in advance of the course commencing. Clear instructions are provided to students.
- Student services highlight on enrolment class lists where information has not yet been submitted. This allows curriculum teams to take steps to gather enrolment information as required.
- Finance staff are responsible for checking the finance source of each student after enrolment, to ensure that it is accurate and aligned with other information provided. Finance manually amend the finance source field on the finance system where any differences are identified.
- A Student Fees project is currently in development to allow automation of student fee checks and to reduce the frequency of manual checks by Finance staff. This is currently being tested for full implementation in academic year 2025/26.
- Data transfer is completed between the finance and student record systems via a standard template embedded in the finance system. Transfers are completed after each batch of invoices is raised and checks are performed once the transfer has been completed.
- Invoices are automatically raised through the finance system integrator function
- The College maintains a Student Recruitment Plan, which maps agreed fees with each of the courses to ensure that students invoices are aligned with agreed rates. The plan is updated annually.

The objective of our audit was to:	Grade
1. Enrolment procedures across the College are sufficient to ensure accuracy of student records information, including adequate checking of student data by MIS	**Good**
2. There is accurate and timely transfer of data between the student records system and the finance system, and regular reconciliation between the systems	**Good**
3. All fees are fully and correctly invoiced and processed for self-financing students and sponsored students. Fee-waiver students are appropriately identified	**Good**
4. Adequate debt management and recovery procedures are in place and are consistently followed in practice	**Good**
Overall Level of Assurance	**Good**

2024/12 – Student Fees (Continued)

Strengths (continued)

- During testing of student fee invoices, we established that fees has been correctly raised in all instances in line with the fees set out by SFC, SAAS or individual arrangements with the College
- Through fee waiver testing we were able to confirm that the College obtains appropriate information at the enrolment stage to identify students eligible for fee waivers
- The College maintains high level debt collection procedures, which are set out within the Income Collection Procedure (April 2024) under section 13 – Debtor Control. This describes responsibility for progressing debt management action and the actions that should be undertaken at specific points in the ageing of a debt. From testing of a sample of student fee debts we determined that appropriate debt management processes had been followed in all cases.
- It was established that debt write off is reviewed on a quarterly basis and are processed annually, ensuring that debts that are no longer deemed feasible or economically viable to recover are processed appropriately.

Weaknesses

- No significant weaknesses were identified as part of our review.

2024/13 – 2023/24 Student Activity Data **Final Issued – October 2024**

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.

Our report was submitted to the SFC on 4 October 2024. 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.

We identified one priority 3 recommendation from our audit testing for 2023/24, which relates to the need for all College rated units, the College should ensure that adequate supporting evidence is available for planned learning hours to verify the Credits claim.

2024/14 – 2023/24 Student Support Funds **Final Issued – November 2024**

We carried out an audit on the following fund statements for the 2023/24 academic year: Higher Education Discretionary Fund; Further Education Discretionary Fund, Further and Higher Education Childcare Fund and Bursary Return; and Education Maintenance Allowance (EMA) Return.

The audit objectives were to ensure that:

- the College complies with the terms, conditions and guidance notes issued by SFC, the Student Awards Agency for Scotland (SAAS) and the Scottish Government;
- payments to students are genuine claims for hardship, bursary or EMA, and have been processed and awarded in accordance with College procedures; and
- the information disclosed in each of the returns for the year ending 31 July 2024 is in agreement with underlying records.

We were able to certify all fund statements for the year and submit these to the appropriate bodies, without reservation.

In our covering letter to the SFC enclosing the audited **Further Education Discretionary Fund, Further and Higher Education Childcare Fund and Bursary Return**, we noted the following observations as referred to in our audit report.

The signed Student Support Funding Report, which agrees to the College's finance ledger, was run on 18 September 2024 and we noted differences between this, and the Student Support Funding Report included in the final FES submitted on 4 October 2024 and accepted by the SFC. The following explanations for the differences were provided by College management following review:

- **Bursary Special Educational Needs Expenditure £122,774 per final FES, £124,209 per signed report, difference £1,435** – this relates to one Bursary student who was found to be non-fundable and therefore the final FES total of £122,774 is correct.
- **Discretionary Funds Expenditure £3,306,285 per final FES, £3,320,252 per signed report, difference £13,967** – this relates to 33 students who had multiple enrolments, both fundable and non-fundable. The support funds were recorded against the non-fundable enrolments in error for the final FES and should have been recorded against the fundable enrolments and therefore the total of £3,320,252 on the attached report is correct.
- **FE Childcare Fund Expenditure £319,427 per final FES, £324,662 per signed report, difference £5,235** –this relates to one of the 33 students noted above, who was also in receipt of Childcare. The total of £324,662 on the signed report is correct. This student was part-time and not a lone parent and the FE Childcare, Other total of £102,559 on the signed report is correct (disclosed as £97,324 on the final FES).

In our covering letter to SAAS enclosing the audited **Higher Education Discretionary and Childcare Fund Return** we noted one observation arising from our audit work. The College does not operate a separate interest-bearing bank account for the Fund and all transactions are through the College's main bank account. The College uses the Government banking service for all of its financial transactions, on instruction from the SFC, and this account does not pay interest.

2024/14 – 2023/24 Student Support Funds (continued)

Our Auditors' Report for the **Education Maintenance Allowance Return** was submitted to the SFC with no observations or reservations.

In addition to the above, the following points were noted during the course of our audit:

Bursary Return – Course Materials

In 2022/23, our covering letter to the SFC included an observation in relation to invoiced study costs for all students on a course being split between Bursary students only, thus inflating the charge to the Bursary fund. The overcharge for our sample courses / invoices amounted to 22.75% and extrapolating this to the total study costs claimed gives a potential error of approximately £83,000. We recommended in last year's Student Support Funds internal audit report that the College should ensure that study costs claimed in the FES for Bursary students are not inflated by a share of costs for non-Bursary students.

Management advised that a monitoring process has been put in place to check what students are eligible for Bursary course materials and what students are not eligible for Bursary, and that the Student Funding team actively chases students that are not eligible and supports applicants to apply for funding from the Discretionary Fund that covers the cost of course materials or invoices the students where necessary.

Our audit testing in 2023/24 noted that although some progress had been made, similar issues remained for three of five courses sampled. Management advised that this was because most course materials for 2023/24 were purchased before last year's recommendation was made. The overcharge for our sample courses / invoices amounted to 4.53% and extrapolating this to the total study costs claimed gives a potential error of approximately £12,700 which is at a much-reduced level to last year. For the purposes of our audit, this overclaim was not material in relation to the total Bursary spend.

Time Spent - Budget v Actual 2023/24

	Report number	Planned days	Actual days feed	Days to fee at Nov 2024	Days to spend / WIP	Variance
Student Experience						
Quality assurance and improvement	2024/06	5	5	-	-	-
Libraries and learning technologies	2024/02	5	5	-	-	-
Staffing Issues						
Teaching staff utilisation / timetabling*	2024/09	3	3	-	-	-
Payroll	2024/07	5	5	-	-	-
Leadership organisation	2024/04	4	4	-	-	-
Estates and Facilities						
Space management*	2024/09	3	3	-	-	-
Cleaning management	2024/10	5	5	-	-	-
Financial Issues						
Student fees	2024/12	4	4	-	-	-
Commercial Issues						
Business engagement incl. skills academies	2024/05	5	5	-	-	-
Organisational Issues						
Project Management	2024/11	4	4	-	-	-
Severance Schemes	2024/03	5	5	-	-	-
Information and IT						
IT network arrangements / security	2024/08	5	5	-	-	-
Other Audit Activities						
Credits Audit	2024/13	8	8	-	-	-
Student Support Funds	2024/14	8	8	-	-	-
Management & Planning	2024/01 & 2024/15	5	4	1	-	-
Follow Up reviews	N/A	4	4	-	-	-
Total		**78**	**77**	**1**	**-**	**-**
		======	====	====	=====	======

Operational Plan for 2024/25

2.1 We were re-appointed in 2021 as internal auditors to City of Glasgow College ('the College') for the period 1 August 2021 to 31 July 2024 with the option to extend for a further 24 months, subject to performance and at the sole discretion of the College. In June 2024 the College exercised this option, following approval by the Audit and Assurance Committee.

2.2 An Annual Plan for 2024/25 and 205/26 has been drafted and will be considered by management and the Audit and Assurance Committee at the November 2024 meeting. The plan is based on the proposed allocation of audit days for 2024/25 and 2025/26, as discussed with the Executive Leadership Team, which was based on an analysis of previous internal audit coverage and key areas of risk for the College. An extract from the proposed Annual Plan, in relation to 2024/25, is set out below.

Proposed Allocation of Audit Days

	Category	Priority	Planned 24/25 Days
Reputation			
External Communications and Marketing	Gov	H	5
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 / Engagement / MIS	Perf	M	5
Student funding)	Fin/Perf	M	
Learning support)	Perf	M	
Student welfare (incl. Duty of Care)	Perf	H/M	
Student Association)	Gov	M	
Staffing Issues			
Staff recruitment and retention	Perf	M	
Staff / organisational development	Perf	M	
*Teaching staff utilisation / timetabling**	Fin/Perf	H/M	
Payroll	Fin	M	
Leadership organisation	Perf	M	
Fair Work Practices	Gov/Perf	H	
Estates and Facilities			
Infrastructure contract management)	Fin/Perf	H	
Help Desk)	Perf	H	
Planned maintenance	Perf	H	
Estates strategy / capital projects	Fin/Perf	M	
Sustainability	Gov/Perf	M	
*Space management**	Perf	M	
Cleaning management	Perf	M	
Asset management	Perf	M	5
Financial Issues			
Budgetary control (incl. scenario planning)	Fin	H	
Student fees	Fin	M	
General ledger	Fin	M	
Procurement and creditors / purchasing	Fin	H	
Debtors/ Income	Fin	M	

Proposed Allocation of Audit Days (Continued)

	Category	Priority	Planned 24/25 Days
Financial Issues (cont'd)			
Cash & Bank / Treasury management	Fin	M	
Fraud Prevention, Detection and Response	Fin	H	
Commercial Issues			
Innovation and Research	Fin/Perf	H/M	5
Business Development)	Fin/Perf	H/M	
International activities)	Fin/Perf	H/M	
Organisational Issues			
Risk Management	Perf	M	
Business Continuity	Perf	H	
Corporate Governance	Gov	M	
Corporate Planning	Perf	H	
Strategic Partnerships	Gov/Perf	H/M	6
Project Management	Gov/Perf	M	
College Subsidiary Company	Fin/Gov/Perf	H	5
Severance Schemes	Fin/Gov/Perf	H	
Contract Management / VFM Frameworks	Fin/Gov/Perf	H	5
Information and IT			
Data protection	Gov	H	
Freedom of Information	Gov	L	
Systems development / implementation	Perf	H	
Web-based Services	Perf	M	
IT / digital strategy	Perf	M	
Back Up Process / Digital Business Continuity	Perf	H	5
Other Audit Activities			
Credits Audit	Required		8
Student Support Funds	Required		8
Management and Planning)			5
External audit / SFC)			
Attendance at audit committees)			
Follow-up reviews		Various	3
Audit Needs Assessment			1
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			66
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Key

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

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

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