

Board of Management Audit Committee

Date of Meeting	Wednesday 14 September 2016
Paper No.	AC1-H
Agenda Item	11.1
Subject of Paper	Internal Audit Report – Academic Growth Planning
FOISA Status	Disclosable
Primary Contact	BDO
Date of production	April 2016
Action	For Discussion and Decision

Recommendations

The Committee is asked to consider and discuss the report and the management responses to the internal audit recommendations.

1. Purpose of report

The purpose of this review is to provide management and the Audit 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.

2. Context and Discussion

As part of the 2015-16 Internal Audit Plan, it was agreed that internal audit would undertake a review to assess the arrangements in place within the College to plan for the additional class groups which the college will require as a result of the increased level of activity following the outcome of the Curriculum & Estates Plan for Glasgow.

3. Impact and implications

Refer to internal audit report.

City of Glasgow College

INTERNAL AUDIT REPORT

Academic Growth Planning

April 2016

LEVEL OF ASSURANCE

Design	Operational Effectiveness
Substantial	Substantial



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REPORT STATUS

Auditors: Stephen Pringle

Dates work performed: 31 March - 28 April 2016

Draft report issued: 9 May 2016

Final report issued: 20 June 2016

DISTRIBUTION LIST

Alex Craig Depute Principal

Audit Committee

Restrictions of use

The matters raised in this report are only those which came to our attention during the course of our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The report has been prepared solely for the management of the organisation and should not be quoted in whole or in part without our prior written consent. BDO LLP neither owes nor accepts any duty to any third party whether in contract or in tort and shall not be liable, in respect of any loss, damage or expense which is caused by their reliance on this report.

EXECUTIVE SUMMARY

LEVEL OF ASSURANCE (SEE APPENDIX II FOR DEFINITIONS)		SUMMARY OF RECOMMENDATIONS (SEE APPENDIX II)	
Design	 There is a sound system of internal control designed to achieve system objectives.	High	
Effectiveness	 The controls that are in place are being consistently applied.	Medium	
		Low	
		Total number of recommendations: 0	

OVERVIEW

Background

As part of the 2015-16 Internal Audit Plan, it was agreed that internal audit would undertake a review to assess the arrangements in place within the college to plan for the additional class groups which the college will require to accommodate as a result of the increased level of activity planned for within the Curriculum & Estates Plan for Glasgow. The purpose of this review is to provide management and the Audit Committee with assurance on the key controls relating to the curriculum and financial plans, and their alignment with the regional plan for Glasgow and the college student number targets.

In consultation with the Regional Board, the three College Principals and College Chairs undertook a curriculum mapping exercise to review the curriculum which each college was delivering and examine areas where there were gaps and duplications. The output from these sessions informed the development of the Regional Curriculum and Estates Plan 2015-2020. This plan is intended to help support the delivery of the Glasgow Regional Outcome Agreement and details how the three Glasgow colleges will work together to achieve the overall objectives and targets for the region, delivering a coherent regional curriculum which meets national, regional and local learner, employer and stakeholder needs in an efficient way.

At the time of the development of the regional plan, the Glasgow region was expected to receive £77m main teaching and fee waiver grant from the Scottish Funding Council for the academic year 2015-16 to plan and deliver the equivalent of 459k WSUMs of further and higher education in the region. This overall target was broken down into targets set at a college level and then at a faculty level, with the target for City of Glasgow College set at 195k WSUMs. The College and regional targets for 15/16 are on target to be achieved. The curriculum plan for the region is based on City of Glasgow College achieving a weighted sums target of 210k for 2016/17, with the new campus built to achieve a target of between 220k -230k if required.

EXECUTIVE SUMMARY

OVERVIEW

Following the agreement of the college target for student numbers by the regional board, the college then starts the process of compiling a curriculum plan which will achieve these student number targets and deliver courses which meet the needs of students. At a faculty level, a curriculum plan is produced, which sets out the courses to be run and the resources required to deliver the activity. The planning process considers current delivery and expected new delivery at an individual course level.

A student recruitment plan is then developed within the faculty team, which produces targets for student numbers based on the courses planned within the curriculum plan. The student recruitment plan is a live document and captures targeted volumes for delivery against actual targets, reviewing student numbers throughout the enrolment, admission, and delivery stages of the academic year.

A financial budget is prepared for the year based on the expected target for student numbers given by the Scottish Funding Council, along with other sources of income, such as commercial income, as well as costs for the year. The main cost for the College is staff costs. Staff costs are generated from the student recruitment plan as this details the staffing requirements for running each course. This is then used to form the staffing budget for the college for the year.

Scope and Approach

The scope of our review was to assess whether the curriculum plan for the College is aligned with the financial plans for the College, and also the regional plans for Glasgow, and whether sufficient sensitivity analysis and scenario planning had been undertaken, and robust assumptions made, to ensure financial plans are sufficiently flexible to changing funding availability. We also assessed whether Faculty Directors have had sufficient input into the curriculum planning process, whether faculty curriculum plans sufficiently demonstrate how the overall curriculum plan will be delivered, and whether the College has sufficient resources in place to deliver the targeted volume of work.

Our approach was to review key documentation in relation to the curriculum planning and financial planning for the College and the region, and to request feedback from key staff members regarding their input into the curriculum planning process, to determine whether targets set are realistic and attainable.

EXECUTIVE SUMMARY

OVERVIEW

Good Practice

College curriculum plans are aligned with the financial plans, as well as the regional plans for Glasgow. The student recruitment plan is fully aligned with the College curriculum plan, and feeds directly into the budget. The College has a budget in place based on planned student numbers and anticipated funding, and there are processes in place to ensure there is sufficient resource at a faculty level to deliver the targeted volume of work. Faculty Directors are fully involved in the curriculum planning process, and agree that targets set are realistic and attainable.

Conclusion

We are able to provide a substantial level of assurance over the design and operational effectiveness of the controls in place surrounding the curriculum and financial planning processes used by the College to plan for increased student numbers.

EXECUTIVE SUMMARY

RISKS REVIEWED GIVING RISE TO NO FINDINGS OF A HIGH OR MEDIUM SIGNIFICANCE

- ✓ The curriculum plan for the college may not be aligned with financial plans and the regional plans.
- ✓ Financial plans may not be sufficiently flexible to respond to changes in the funding model.
- ✓ The curriculum plan may not involve sufficient input from academic faculties or sufficient detail on how targets will be delivered.
- ✓ There may be insufficient resources to deliver planned levels of academic growth.

APPENDIX I - STAFF INTERVIEWED

NAME	JOB TITLE
Alex Craig	Depute Principal
Douglas Dickson	Head of Performance and QA
Paul Clark	College Secretary

NAME	JOB TITLE
Stuart Thompson	Executive Director Finance
Alex Stewart	Head of Finance

BDO LLP appreciates the time provided by all the individuals involved in this review and would like to thank them for their assistance and cooperation.

APPENDIX II - DEFINITIONS

LEVEL OF ASSURANCE	DESIGN of internal control framework		OPERATIONAL EFFECTIVENESS of internal controls	
	Findings from review	Design Opinion	Findings from review	Effectiveness Opinion
Substantial 	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
Moderate 	In the main there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non compliance with some controls, that may put some of the system objectives at risk.
Limited 	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
No 	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non compliance and/or compliance with inadequate controls.

Recommendation Significance	
High 	A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.
Medium 	A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.
Low 	Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.

APPENDIX III - TERMS OF REFERENCE

BACKGROUND

As part of the 2015-16 Internal Audit Plan, it was agreed that internal audit would undertake a review to assess the arrangements in place within the college to plan for the additional class groups which the college will require as a result of the increased level of activity following the outcome of the Curriculum & Estates Plan for Glasgow.

PURPOSE OF REVIEW

The purpose of this review is to provide management and the Audit 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.

KEY RISKS

Based upon the risk assessment undertaken during the development of the internal audit operational plan and through discussions with management, the key risks that relate to the processes under review can be categorised as follows:

- The curriculum plan for the college may not be aligned with financial plans and the regional plans;
- Financial plans may not be sufficiently flexible to respond to changes in the funding model;
- The curriculum plan may not involve sufficient input from academic faculties or sufficient detail on how targets will be delivered;
- There may be insufficient resources to deliver planned levels of academic growth.



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