

Board of Management Audit Committee

Date of Meeting	Wednesday 15 November 2017
Paper No.	AC2-D
Agenda Item	7.1
Subject of Paper	Internal Audit Report – Corporate Planning
FOISA Status	Disclosable
Primary Contact	Henderson Loggie
Date of production	30 October 2017
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

Following the Audit Needs Assessment undertaken by Henderson Loggie in session 2016-17, and the consequent Internal Audit Strategic Plan 2016-2020, both approved by the Committee in March 2017, an operating plan was created for the year ended 31 July 2017.

This internal audit of Corporate Planning provides an outline of the objectives, scope, findings and graded recommendations as appropriate, together with management responses. This constitutes an action plan for improvement.

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

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

3. Impact and implications

Refer to internal audit report.

City of Glasgow College

Corporate Planning

Internal Audit Report No: 2017/10

Draft Issued: 30 August 2017

2nd Draft Issued: 27 October 2017

Final Issued: 30 October 2017

LEVEL OF ASSURANCE

Satisfactory

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Level of Assurance

In addition to the grading of individual recommendations in the action plan, audit findings are assessed and graded on an overall basis to denote the level of assurance that can be taken from the report. Risk and materiality levels are considered in the assessment and grading process as well as the general quality of the procedures in place.

Gradings are defined as follows:

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

Action Grades

Priority 1	Issue subjecting the College to material risk and which requires to be brought to the attention of the Audit 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.

1. Overall Level of Assurance

Satisfactory

System meets control objectives with some weaknesses present.

2. Risk Assessment

Strategic planning underpins the effective working of City of Glasgow College ('the College') and therefore covers most of the risks on the College's Risk Register, including the following:

- Students: Failure to achieve good student outcome / progression levels (net risk score 5);
- Growth and Development: Failure to achieve improved performance (net risk score 5);
- Growth and Development: Negative impact upon College reputation (net risk score 10);
- Process and Performance: Failure to manage performance (net risk score 8); and
- Finance: Failure to achieve operating surplus via control of costs and achievement of income targets. (net risk score 6).

3. Background

As part of the Internal Audit programme at the College for 2016/17 we carried out a review of the corporate planning framework in the College, covering both strategic and operational planning. The Audit Needs Assessment, completed in March 2017, identified this as an area where risk can arise and where Internal Audit can assist in providing assurances to the Board of Management and the Principal that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

The College's Strategic Plan 2017-2025 was prepared during 2016 and approved by the Board in December 2016 before being launched to staff in early 2017. It sets out the College's purpose, way and values as well as four themes, eight strategic priorities, 26 strategic aims and five delivery strategies.

Underpinning the delivery of the Strategic Plan are the College's five delivery strategies: The Student Experience; People and Culture; Corporate Development; Systems Integration; and Sustainability. These strategies are currently being finalised, and will be delivered through a range of initiatives.

There is planning guidance in place which sets out how managers should prepare academic faculty and support department Operational Plans. These are required to be linked to the Strategic Plan through the balanced scorecard headings which are the Strategic Plan's four strategic themes of Students, Growth and Development, Processes and Performance, and Finance.

The College Secretary / Planning is responsible for the coordination of the College's planning cycle and the provision of planning guidance to managers at all levels.

4. Scope, Objectives and Overall Findings

Our review considered whether the College's planning process is working effectively, particularly in relation to the development of the Strategic Plan and the linkage between the Strategic Plan, the Regional Outcome Agreement, and the detailed Operational Plans.

The overall objective of the audit was to obtain reasonable assurance that the College's planning process accords with good practice.

The table below notes each separate objective for this review and records the results:

Objective		Findings			
The objective of this audit was to obtain reasonable assurance that:	Assurance	1	2	3	Actions already planned
		No. of Agreed Actions			
1. The corporate planning process is adequately planned and challenged for robustness	Satisfactory	0	0	2	✓
2. Linkages between the Strategic Plan, the Regional Outcome Agreement and Operational Plans are clearly defined and communicated	Good	0	0	0	
3. Operational Plans are robust and include detailed prioritised action plans	Requires Improvement	0	1	4	
4. The Strategic Plan, Regional Outcome Agreement and Operational Plans are being appropriately monitored and controlled, including through the use of key performance indicators	Satisfactory	0	0	1	✓
5. There is effective linkage between planning and budgeting at all levels	Good	0	0	0	
Overall Level of Assurance	Satisfactory	0	1	7	
		System meets control objectives with some weaknesses present.			

5. Audit Approach

Through discussions with key staff we documented the planning process adopted by the College covering the setting of aims and objectives; operational planning; budgeting; implementation; monitoring and control.

A sample of the Operational Plans were obtained and reviewed to ensure there were clear linkages to the Regional Outcome Agreement, the Strategic Plan and the key strategies that relate to the core activities of the College.

5. Audit Approach (continued)

The following managers were interviewed as part of this review:

- Paul Clark - College Secretary/Planning
- Stuart Thompson - Vice Principal, Finance and HR
- Joanna McGillivray - Vice Principal, Student Experience
- Carla Gethin - Head of Business and Academy Development
- Douglas Alexander - Organisational Development Manager
- Carol MacFarlane - Head of HR
- Craig Dowling - Head of Service – Infrastructure
- Eleanor Doull - Head of Marketing
- Les Paterson - Head of Estates
- Eddie Carr - Curriculum Head
- Douglas Dixon - Performance and Improvement Director

6. Summary of Main Findings

Strengths

- The process used to develop the Strategic Plan 2017-2025 was in line with most aspects of good practice;
- There is an appropriate corporate planning framework in place, including the College Strategic Plan, delivery strategies, Operational Plans and Personal Development Reviews;
- Operational planning guidance is available for staff and a standard Operational Plan template is in use, although there were some areas for further improvement as noted below;
- There was appropriate linkage between the Strategic Plan, Regional Outcome Agreement 2017/18 and Operational Plans; and
- There was appropriate consideration of Operational Plan activities when setting budgets.

Weaknesses

- Whilst page 17 of the College's Strategic Plan sets out the timeframes for key planning activities, the College's senior management have identified a requirement for these requirements to be reinforced across the College to ensure a more consistent approach.
- Not all areas had Operational Plans and there was a need to clarify the circumstances in which Operational Plans were required;
- The format of the Operational Plan template could be improved by merging this with the existing target setting framework document and separately identifying any 'business as usual' items;
- Academic areas did not formally advise support departments of any items in their Operational Plans that would require input from support departments. As a result, it was not possible for support departments to determine whether they had sufficient resources to support the planned activity within academic areas;
- Operational Plans were not as robust as they could have been, including ensuring that actions were SMART (Specific, Measurable, Achievable, Relevant and Time-Bound). We recommend that guidance on Operational Plans is improved and that there is an independent review of Operational Plans for robustness once they have been developed; and
- The monitoring of Operational Plans was not in line with Operational Plan Planning Guidance. There would be benefit in providing enhanced guidance on monitoring requirements and in holding all Operational Plans in a single location. This would allow central checks to be performed to determine whether Operational Plans were being reviewed in line with requirements.

7. Acknowledgements

We would like to thank the College staff for the co-operation and assistance we received during the course of our review

8. Findings and Action Plan

Objective 1: The corporate planning process is adequately planned and challenged for robustness					
Observation	Risk	Recommendation	Management Response		
<p>We reviewed the process utilised to prepare the Strategic Plan and compared this against good practice and other examples of college strategic plans. We noted that the Strategic Plan complied with most aspects of good practice. Board planning events are held in February and October of each year where high-level strategic matters are considered. Drafts of the current Strategic Plan were taken to the Executive Leadership Team (ELT), Senior Management Team (SMT) and to the Board. The 'Strategic Map' in the Strategic Plan sets out links to key stakeholder priorities.</p> <p>In late 2016 the College hosted a 'Big Ask' event which was attended by 80 stakeholders invited by GCRB, including student and staff representation. The feedback from this event allowed seven key themes to be developed, which are supported by the Strategic Plan. The Consultation on the Strategic Plan was undertaken at SMT, ELT and the Board, which includes both staff and student representatives, and internally there are ongoing relationships with other key stakeholders via, for example, Faculty links with industry partners and other organisations. We consider that these actions were sufficient to identify stakeholder views and their priorities and to consider inclusion of relevant actions relating to these views and priorities in the Strategic Plan. The College Secretary / Planning advised that more formal consultation with staff would be undertaken for future plans.</p>	<p>The planning process may not be as effective and efficient as possible without a formal structure of required actions and timeframes.</p>	<p>R1 Every year a planning cycle schedule, which sets out key planning cycle activities and the timescales / milestones for completion of these, should be prepared and submitted for Board approval and reinforced across the College. This should include actions related to the Strategic Plan, supporting strategies, Operational Plans and Personal Development Reviews.</p>	<p>From the Service Area Review (2017) SMT has identified the need to create a timeline to include key planning and performance review dates throughout the session</p> <p>To be actioned by: College Secretary/Director of Performance</p> <p>No later than: 31 December 2017</p> <table border="1" data-bbox="1765 1264 2063 1374"> <tr> <td>Grade</td> <td>3</td> </tr> </table>	Grade	3
Grade	3				

Objective 1: The corporate planning process is adequately planned and challenged for robustness (Continued)			
Observation	Risk	Recommendation	Management Response
In broad terms the Strategic Plan sets out all of the key planning cycle dates and activities planned for the upcoming year (including the activities to review the appropriateness of the Strategic Plan, preparation / review of strategies, creation and review of Operational Plans, and completion of Personal Development Reviews) but there is a need for a more detailed timeline and work is already underway to address this. The Board should receive a schedule of these activities and dates and approve this annually.	As above	As above	As above

Objective 1: The corporate planning process is adequately planned and challenged for robustness (Continued)**Strategies**

At the SMT planning day in February 2017 the College's existing strategies were reviewed and the SMT considered the strategies which would be required in order to implement the Strategic Plan's strategic themes. This resulted in SMT agreement that five delivery strategies were needed: Student Experience; People and Culture; Corporate Development; Systems Integration; and Sustainability. At the time of audit fieldwork these strategies were being finalised and we were advised that they would go to appropriate Board committees or the Board for review and approval. The aims within the strategies are to be delivered via individual initiatives and a template has been developed in order to map the initiatives to the strategies and to the Strategic Plan priorities to ensure that there is coverage of all required areas. It is envisaged that there will be a work group set up for each of the initiatives and there will be upward reporting to appropriate Board committees. A 'Strategic Initiative Template' has been developed to be used for each of the initiatives and sets out the links to the relevant Strategy, Regional Outcome Agreement and national priorities, targets and governance structures (the work group to undertake the work, required reporting and which Board committee this will be provided to). It is planned that the SMT will also have an oversight role to ensure that strategies are being appropriately progressed.

Operational Plans

The College Secretary / Planning is responsible for the coordination of the College's planning cycle and the provision of planning guidance to managers at all levels. He has developed clear Planning Guidance and an Operational Plan template which is in line with good practice, having links through to the Strategic Plan and columns for specific actions, how these will be measured, responsible individuals, timeframes for completion and a RAG (Red, Amber, Green) progress update. We also noted that the College Secretary / Planning meets with managers to discuss how to apply the Planning Guidance where necessary. The respective Heads of Department or Faculty Directors are responsible for ensuring the Operational Plans are completed and the Planning Guidance states 'Managers should work with their teams in formulating the plan, to encourage a sense of team responsibility for the achievement of priority objectives and associated targets'. We noted from discussion with managers that in many cases staff are not consulted when preparing the Operational Plans. The Depute Principal (Acting) advised that this had already been noted as part of the Service Operational Plan reviews held in May and June 2017 and that work was already being planned regarding this. As work is already being planned no recommendation has been raised regarding this.

Governance Effectiveness Review

Polley Solutions Limited undertook a governance effectiveness review, which was completed in March 2017. This review confirmed that there was a mature strategic planning process in place and stated '*...strategic planning has been further refined in developing a new Strategic Plan 2017-2025 with particular attention to input from a wide range of national and local partners, and clear mapping of the strategic priorities in relation to national and regional priorities. Board members have been involved in the development of the new Strategic Plan through attendance at periodic Board Planning Days. In addition, it was clear from the one-to-one discussions and the facilitated workshop held in February 2017 that members have an appetite to contribute more to ongoing strategic discussions.*'

Objective 1: The corporate planning process is adequately planned and challenged for robustness (Continued)					
Observation	Risk	Recommendation	Management Response		
<p>Personal Development Reviews (PDRs) Managers are required to complete PDR forms for their direct reports and then discuss these with individual staff members. This usually takes place in May and June each year. However, Operational Plans are generally prepared between September and November each year, which means that Personal Development Reviews do not reflect the most up to date Operational Plan priorities for a significant proportion of the year.</p>	<p>Individuals' PDR objectives and targets may not reflect departmental or faculty Operational Plan priorities.</p>	<p>R2 Ensure that there is an explicit link in individuals' PDRs to the Operational Plan actions aligned to that individual, where relevant, to ensure that PDRs are updated to reflect new actions introduced between formal PDR reviews. The requirement for this explicit ongoing linkage between PDRs and the Operational Plans should be reflected in the Planning Guidance.</p>	<p>Operational planning is to be revised (dates to be confirmed) to align new delivery strategies and associated initiatives to the plans. Appropriate PDR linkage will be considered in this context.</p> <p>To be actioned by: Director of Performance / College Secretary</p> <p>No later than: 31 January 2018</p>		
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Objective 2: Linkages between the Strategic Plan, the Regional Outcome Agreement and Operational Plans are clearly defined and communicated**Linkages Between Plans**

There are no direct links in the Strategic Plan to the Regional Outcome Agreement however a high-level mapping between the two was carried out as part of the stakeholder mapping included in the Strategic Plan. As part of this audit we reviewed the 2017/18 Regional Outcome Agreement outcomes and found that each outcome was adequately covered by a strategic aim(s) in the Strategic Plan.

We noted that the Operational Plan actions were formally linked to the Strategic Plan through the four strategic themes of Students, Growth and Development, Processes and Performance, and Finance. We noted that some of the actions relating to the Regional Outcome Agreement come from the Glasgow Colleges' Regional Board (GCRB) curriculum hubs, Learning and Teaching Sub-Committee or Sustainability Sub-Committee and were advised that it was the responsibility of each College manager with an Operational Plan to ensure that any required actions from these groups were included in their Operational Plans. As outlined under Objective 1 above, a template has been developed in order to map strategy initiatives to the Strategies and to the Strategic Plan priorities to ensure that there is coverage of all required areas.

Communication**a) Strategic Plan**

Communication of the Strategic Plan included: a short video that was presented to an all managers meeting, SMT and the Board; discussion of the Strategic Plan at an all managers meeting; and copies of the Strategic Plan were disseminated to a list of stakeholders. The four strategic themes within the Strategic Plan have been communicated to the wider staff group through line managers and specifically via Operational Plans.

b) Strategies

Strategies are being developed which will underpin the overarching Strategic Plan and we have been advised that once these are finalised all managers will be made aware of these. Staff will in due course be made aware of strategies that impact on them, but we recognise that in many cases staff will have a more in-depth understanding of the specific strategy initiatives they are directly involved with rather than detail of the wider strategies.

c) Regional Outcome Agreement

Key managers are aware of credit targets and involved in the GCRB curriculum hubs and Learning and Teaching Sub-Group and therefore are aware of Regional Outcome Agreement priorities and requirements. Not all staff are aware of the content of the Regional Outcome Agreement but the elements which are pertinent to their role are reflected in the Operational Plans and are therefore set out in the actions assigned to them by their manager.

d) Operational Plans

We noted that it was the responsibility of individual managers to communicate Operational Plan actions to the relevant staff, which was considered reasonable.

Objective 3: Operational plans are robust and include detailed prioritised action plans			
Observation	Risk	Recommendation	Management Response
<p>We noted that there is an Operational Plan template and Planning Guidance in place for staff to follow. As part of this audit we requested to see a sample of eight service department and two academic faculty Operational Plans and discussed these with managers. From our review of this sample we found:</p> <ul style="list-style-type: none"> • There was no Operational Plan for Human Resources; • There was no Operational Plan for Service (Infrastructure), although there was a Service Area Target Setting Framework. The Framework document had been prepared by the Performance and Improvement Director for the purposes of a service review held in May / June 2017 setting out key measures and targets; and • There was no Operational Plan for Estates although, again, there was a completed Service Area Target Setting Framework. <p>From discussion with the Depute Principal (Acting) it was noted that there had been no central consideration as to which areas required Operational Plans to be produced, and therefore there was a risk that some areas did not have Operational Plans produced that should have, or some areas may have produced Operational Plans which should more appropriately be incorporated within another area's Operational Plan.</p>	<p>Operational Plans may not be completed, or it may be more efficient to have some areas' Operational Plans grouped together within one Operational Plan.</p>	<p>R3 Introduce a mechanism to ensure that all Operational Plans are completed on a timely basis in line with the Operational Plan template and Planning Guidance</p>	<p>A process will be introduced and communicated via SMT</p> <p>To be actioned by: SMT</p> <p>No later than: 31 December 2017</p>
		<p>Grade</p>	<p>2</p>
		<p>R4 Review the areas which should be required to produce an Operational Plan. From this review produce a list of all required Operational Plans, who is responsible for ensuring these are prepared, and who is responsible for reviewing these. (Refer to R8 below).</p>	<p>A list of required operational plans will be created as part of the operational planning review referred to at R2 above.</p> <p>To be actioned by: SMT</p> <p>No later than: 31 December 2017</p>
		<p>Grade</p>	<p>3</p>

City of Glasgow College – Corporate Planning

Objective 3: Operational plans are robust and include detailed prioritised action plans (Continued)			
Observation	Risk	Recommendation	Management Response
<p>From discussion with the Depute Principal (Acting), Performance and Improvement Director and College Secretary / Planning it was agreed that there would be benefit in amending the existing Operational Plan template to include initiatives (in the existing template format), but also to have a section for service area targets (similar to the information in the Service Area Target Setting Framework) and to have a section for ‘business as usual activities’ (for use where managers like to record these as an aide memoire and require less active monitoring for progress). There should not be any overlap between items in the initiatives, service area targets and ‘business as usual’ activities sections.</p>	<p>Operational Plans may not contain all information that is required for monitoring operational performance, or may not adequately focus monitoring on initiatives rather than ‘business as usual’ activities.</p>	<p>R5 Enhance the Operational Plan template and Planning Guidance so that Operational Plans have a more explicit link with Delivery Strategies. The template should include sufficient information to allow monitoring of progress of the Operational Plan.</p>	<p>Revised Planning Guidance should include reference to the identification of these themes within the existing planning quadrant framework.</p> <p>To be actioned by: College Secretary</p> <p>No later than: 31 March 2018</p>
			<p>Grade</p>
<p>It is considered good practice in college operational planning for there to be formal communication of academic faculty plans to support departments so that support departments can consider all the planned requests for their services and advise academic faculties whether they have the resources to provide what is being planned. We noted that there is no formal process for this, although some academic faculties may communicate their plans to support departments informally.</p>	<p>Service departments may not be able to adequately support academic faculties with what they have planned, which could lead to strategy initiatives and other actions not being progressed as planned.</p>	<p>R6 Consider what processes could be implemented to improve the interface between academic faculties and support departments during the planning cycle. Once this has been considered the processes that have been agreed to be used should be implemented.</p>	<p>Faculty/Service area planning interface to be considered as part of the operational planning review referred to at R2.</p> <p>To be actioned by: SMT</p> <p>No later than: 30 June 2018</p>
			<p>Grade</p>

Objective 3: Operational plans are robust and include detailed prioritised action plans (Continued)

We obtained copies of two faculty academic Operational Plans and five service department plans and reviewed these to determine whether they had been fully and robustly completed. From our review of Operational Plans, we noted that:

- Objectives were not always SMART (Specific, Measurable, Achievable, Relevant and Time-Bound). This included: some objectives that were not specific; some objectives where it was not possible to determine from the given measures at what point the objective would be complete; and some objectives were not time-bound, such as having no target completion date or stating 'ongoing';
- Not all objectives had responsible staff assigned to them;
- Sometimes multiple staff were assigned to an objective, whereas good practice is that one staff member is given overall responsibility (or where there is more than one person responsible then the respective areas of responsibility of each are set out) and that this is delegated downwards to the staff member who is in the best position to implement the objective rather than having all activities allocated to the one manager;
- There was not always formal evidence of monitoring through completion of the 'Progress' column and 'RAG' (Red, Amber, Green) column;
- In the Operational Plans in our sample the one with the longest objectives section was 21 pages long. Having such a large number of actions, some of which are largely 'business as usual', makes it difficult for managers to identify priorities and ensure that these are adequately monitored on a timely basis. We have noted above in recommendation **R5** suggestions regarding how to treat 'business as usual' items in Operational Plans; and
- We also noted that the Operational Plans were not reviewed by anyone for robustness after they had been completed, including considering whether the Operational Plans sufficiently covered activities relating to the Regional Outcome Agreement and strategies.

Objective 3: Operational plans are robust and include detailed prioritised action plans (Continued)

Observation	Risk	Recommendation	Management Response	
<p>As noted above a number of areas for improvement in Operational Plans were noted. We consider that the Operational Plans could be made more robust by implementing the following:</p> <ul style="list-style-type: none"> • Provide improved guidance, and possibly training, to staff on how to better complete Operational Plans. This would include: <ul style="list-style-type: none"> ◆ how to write SMART objectives, including making sure that timeframes are specific (rather than stating ‘ongoing’) and allocating only one responsible staff member (or where there is more than one staff member responsible then it should be clear as to what each staff member is responsible for); ◆ having initiatives and priorities in the ‘initiatives’ section of a revamped Operational Plan template and if managers wish to include ‘business as usual’ and ‘aide memoire’ type activities these should be in a new ‘business as usual’ section of the Operational Plan; ◆ there should not be too many activities included in the Operational Plan and prior to finalisation consideration should be given as to whether the Operational Plan can be resourced; ◆ for larger or more complex Operational Plan activities quarterly (or more frequent) milestones should be set out to better allow monitoring of progress in year; • Once Operational Plans have been completed there should be an independent review of these to ensure that they: <ul style="list-style-type: none"> ◆ have been fully and appropriately completed (including actions related to strategies, the Regional Outcome Agreement / GCRB, and other departments or faculties as relevant); ◆ contain SMART objectives; ◆ are prioritised (‘business as usual’ items split out); and ◆ can be resourced. 	<p>It may be difficult to monitor performance if the Operational Plans are not fully completed or do not have SMART objectives, which could lead to inadequate monitoring and slippage against Operational Plan activities.</p>	<p>R7 Ensure that once Operational Plans are prepared that they are reviewed by the appropriate senior manager for robustness in line with the guidance noted in in this audit report.</p>	<p>A process will be introduced and communicated via SMT</p> <p>To be actioned by: SMT</p> <p>No later than: 31 March 2018</p>	
			Grade	3

Objective 4: The Strategic Plan, Regional Outcome Agreement and operational plans are being appropriately monitored and controlled, including through the use of key performance indicators

There are a number of ways that plans are monitored and controlled. This includes:

- **Strategic Plan:** Monitoring of the implementation of the Strategic Plan is tracked mainly through the Outturn Report (for the Board), and the Annual Review (which is for Board and wider public use). We reviewed the latest Outturn Report (for 2015/16) and noted that this provides a good range of performance information. This is mapped to the Strategic Plan's eight strategic priorities and provides targets, results and supporting commentary. The College Secretary / Planning advised that the format of the Outturn Report for 2016/17 will be reviewed given that there is a new Strategic Plan in place, and that the aim of the Outturn Report will be to provide Board members with a greater understanding of how the Strategic Plan is being delivered. We reviewed the latest Annual Review (for 2015/16) and noted that the aim of this was to report to stakeholders, giving a complete picture of the College's financial and non-financial profiles, including staff and student success. We consider that the information provided gave a good overview of the work of the Board and College performance.
- **Strategies:** As noted under Objective 1 above, the strategies have yet to be finalised and monitoring procedures have still to be put in place, however it is the intention that the SMT will be responsible for reviewing progress and that regular progress reports on individual strategies will be taken to relevant Board committees.
- **Regional Outcome Agreement:** There is regular reporting from the College to GCRB in line with GCRB's monitoring framework. College staff sit on the Learning and Teaching Sub-Group and Sustainability Sub-Group, which the GCRB Executive Director also sits on. Minutes of the meetings for both Sub-Groups are reported to GCRB. The SFC also carries out quarterly monitoring of student activity via its review of FES data.

Objective 4: The Strategic Plan, Regional Outcome Agreement and operational plans are being appropriately monitored and controlled, including through the use of key performance indicators (Continued)

Observation	Risk	Recommendation	Management Response		
<p>Operational Plans The Strategic Plan ‘Planning Cycle and Timeline’ states that Operational Plan reviews are to be carried out each academic year in December, February / March and June. In addition, the Planning Guidance states that ‘Operational Plans in support areas should be reviewed through the session, to provide a focus for the monitoring and management of performance against agreed objectives’. From our review of a sample of Operational Plans we noted that there was a lack of evidence of management review of Operational Plans throughout the year. We formed this view based on the limited formal progress updates within the Operational Plans we reviewed. We did note that there were two central reviews of faculty Operational Plans (by the Vice Principal, Academic and Performance and Improvement Director) in late 2016 and in May / June 2017 and one central review of support Operational Plans (by the Depute Principal (Acting) and Performance and Improvement Director) in May / June 2017.</p> <p>From discussion with the College Secretary / Planning, Depute Principal (Acting) and Performance and Improvement Director it was noted that there should be review of Operational Plans by relevant managers and independent managers at certain times of the year. They agreed that there should be improved clarity over what monitoring should be performed (including when monitoring should be done by the manager and when there should be more independent monitoring) and by whom, and that these requirements should be set out on the planning cycle timetable (see R1). Furthermore, it was agreed that all Operational Plans should be available via Connected (staff intranet) for all to view and to allow central monitoring at key times to ensure that managers had undertaken required monitoring reviews.</p>	<p>There may not be timely or robust review of Operational Plans and proactive action may not be taken where inadequate progress is being made.</p>	<p>R8 Ensure that all Operational Plans are centrally checked at key milestones in the year to ensure that managers have undertaken a formal progress update. To enable this check to happen the Operational Plans should all be stored in a designated location on Connected.</p>	<p>The Operational Plan will be held at a central location on Connected or other location (e.g. Admin control) as appropriate, accessible by all managers responsible for operational plans.</p> <p>To be actioned by: Vice Principal Infrastructure / College Secretary</p> <p>No later than: 31 March 2018</p> <table border="1" data-bbox="1733 1262 2078 1366"> <tr> <td data-bbox="1733 1262 1883 1366">Grade</td> <td data-bbox="1883 1262 2078 1366">3</td> </tr> </table>	Grade	3
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Objective 5: There is effective linkage between planning and budgeting at all levels

The budget process commences around April each year, with Finance staff meeting with budget holders to discuss expected future plans, needs and forecast costs and to identify any significant planned development activities which would have a budget impact. Given the current tight financial climate the principle of frozen budgets for non-staff costs is being applied, so if any specific planned initiatives, relating to the delivery of either strategies or Operational Plans, required additional funding then a business case is taken to ELT for consideration and agreement before additional budget can be set aside. Support staff cohorts and budgets are largely fixed. The SRP (Student Recruitment Plan) models the curriculum, fee income and credits and calculates the academic staffing costs (both temporary and permanent).

There is a separate capital bidding round where staff are required to submit bids for any capital items or projects. These are appraised by the ELT before being referred on to GCRB for a funding decision. Where GCRB decides not to fund a capital project, the ELT will consider whether to request funding for a capital item or project from the College Foundation.

The linkages between the budgeting and planning process set out above are considered appropriate.