CITY OF GLASGOW COLLEGE

Board of Management
Audit Committee

Date of Meeting	**Wednesday 21 February 2018**
Paper No.	**AC3-B**
Agenda Item	**5**
Subject of Paper	**Internal Audit Annual Plan 2017-18**
FOISA Status	**Disclosable**
Primary Contact	**Henderson Loggie**
Date of production	**15 February 2018**
Action	**For Approval**

1. Recommendations

1. To consider and approve the Internal Audit Annual Plan 2017-18.

2. Purpose of report

The purpose of this document is to present for consideration by management and the Audit Committee the annual operating plan for the year ended 31 July 2018. The plan provides confirmation of audit start dates with no other changes being made to the previous plan submitted on 15 November 2017.

3. Context

3.1 The plan is based on the proposed allocation of audit days for 2017/18 set out in the Audit Needs Assessment and Strategic Plan 2016 to 2020, which was presented to the Audit Committee and approved at its meeting on 8 March 2017.

3.2 The plan sets out the outline scope and objectives for each audit assignment to be undertaken during 2017/18, together with the audit approach. These have been arrived at following discussion with members of the College Senior Management Team (SMT) during the Audit Needs Assessment process in February 2017, and further consideration by the SMT in October 2017.

4. Impact and implications

4.1 In producing the Internal Audit Plan for 2017-18 the Internal Auditors have sought to provide assurance to City of Glasgow College that proper controls, policies and and processes are in place to deliver the overall business strategy and objectives of City of Glasgow College. The Audit reports will include agreed recommendations for improvement as required, referencing the key challenges and strategic risks facing City of Glasgow College.

4.2 This process will enhance performance and compliance, and mitigate against strategic failures as outlined in the College Strategic Plan.

City of Glasgow College

Internal Audit Annual Plan 2017/18

Internal Audit Report No: 2018/01

Draft Issued: 26 October 2017

Final Issued: 15 February 2018

Content

1. Introduction

1.1   The purpose of this document is to present for consideration by management and the Audit Committee the annual operating plan for the year ended 31 July 2018. The plan is based on the proposed allocation of audit days for 2017/18 set out in the Audit Needs Assessment and Strategic Plan 2016 to 2020, which was presented to the Audit Committee and approved at its meeting on 8 March 2017.

1.2   A copy of the Strategic Plan is included at Section 2 of this report.

1.3   At Section 3 of this report we have set out the outline scope and objectives for each audit assignment to be undertaken during 2017/18, together with the audit approach. These have been arrived at following discussion with members of the College Senior Management Team (SMT) during the Audit Needs Assessment process in February 2017, and further consideration by the SMT in October 2017. The outline scopes will be finalised after discussion with responsible managers in each audit area.

1.4   Separate reports will be issued for each assignment with recommendations graded to reflect the significance of the issues raised.

2. Strategic Plan 2016 to 2020

Proposed Allocation of Audit Days

	Category	Priority	Actual 16/17 Days	Planned 17/18 Days	Planned 18/19 Days	Planned 19/20 Days
Reputation						
External Communications and Marketing	Gov	M				5
Internal Communications	Gov	M				
Health and Safety	Gov	M			5	
Equality and Diversity	Gov	M				
Student Experience						
Curriculum planning	Perf	M	5			
Quality assurance and improvement	Perf	M		5		
Libraries and learning technologies	Perf	M			5	
Student recruitment targets	Fin/Perf	M			5	
Student admissions / MIS process review	Perf	M	5			
Student funding	Fin/Perf	M				
Learning support	Perf	M		5		
Student welfare (incl. Duty of Care)	Perf	H/M	5			
Student engagement)	Perf	M		7		
Student Association)	Gov	M				
Staffing Issues						
Staff recruitment and retention	Perf	M				5
Staff / organisational development	Perf	M			6	
Teaching staff utilisation / timetabling	Fin/Perf	H/M		6		
Payroll	Fin	M			5	
Estates and Facilities						
Infrastructure contract management)	Fin/Perf	H		7		
Help Desk)	Perf	H				
Planned maintenance	Perf	H	4			
Estates strategy / capital projects	Fin/Perf	M				
Sustainability	Gov/Perf	M				
Space management	Perf	M				
Cleaning management	Perf	M				
Asset / fleet management	Perf	M				5
Financial Issues						
Budgetary control (incl. scenario planning)	Fin	H	5			
Student fees	Fin	M			6	
General ledger	Fin	M				5
Procurement and creditors / purchasing	Fin	M	5			
Debtors/ Income	Fin	M				5
Cash & Bank / Treasury management	Fin	M				

Proposed Allocation of Audit Days (Continued)

	Category	Priority	Actual 16/17 Days	Planned 17/18 Days	Planned 18/19 Days	Planned 19/20 Days
Commercial Issues						
Innovation and Research	Fin/Perf	H/M			6	
Business Development)	Fin/Perf	H/M		6		
International activities)	Fin/Perf	H/M				
Industry Academies	Fin/Perf	H/M				5
Lifelong learning	Fin/Perf	M				
Organisational Issues						
Risk Management	Perf	M				4
Business Continuity	Perf	H		5		
Corporate Governance	Gov	M				5
Corporate Planning	Perf	M	5			
Partnership Working	Gov/Perf	H/M				
Information and IT						
IT network arrangements / security	Perf	H	5			
Data protection / FOI	Gov	H/L		5		
Systems development / implementation	Perf	H			5	
Web-based Services	Perf	M				5
IT strategy	Perf	M				
Other Audit Activities						
Credits Audit	Required		8	8	8	8
Management and Planning)			4	5	5	5
External audit / SFC)						
Attendance at audit committees)						
Follow-up reviews		Various	4	4	4	4
Audit Needs Assessment			3			
			‾‾‾‾	‾‾‾‾	‾‾‾‾	‾‾‾‾
Total			58	63	60	61
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Key

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

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

3. Outline Scope and Objectives

Audit Assignment: Quality Assurance and Improvement

Priority: Medium

Audit Committee Meeting: **TBC**

Days: 5

Primary College Contact: Douglas Dickson, Director Performance & Improvement

Provisional Start Date for Fieldwork: June 2018

Scope

During 2017, new and significantly revised quality arrangements and an associated framework were introduced for colleges in Scotland. The framework, How Good Is Our College? (HGIOC?), builds on the existing effective internal quality arrangements within colleges and aligns with Education Scotland quality arrangements for other sectors. Through the use of HGIOC?, colleges and their stakeholders identify what is working well and what needs to improve. The framework is based on the four high level principles (which in turn are underpinned by challenge questions and quality indicators):
• Leadership and quality culture;
• Delivery of learning and services to support learning;
• Outcomes and impact; and
• Capacity for improvement.

In responding to these principles, each college produces an Evaluative Report and an associated Enhancement Plan. These describe the methodology and approaches taken to evaluation and the context in which the evaluation was carried out. Evidence gathered is used to evaluate the accuracy and appropriateness of the college-devised Evaluative Report, Enhancement Plans and associated proposed grading outcomes. Submitted reports are subject to independent scrutiny and endorsement procedures. In December 2017, individual college reports and associated endorsement statements will be published on the Education Scotland website.

The scope of this audit will be to review compliance with the College's new quality procedures by Faculties and review the progress the College is making to implement the actions identified on its Enhancement Plan.

Audit Assignment: Quality Assurance and Improvement (Continued)

Objectives

The objective of our audit will be to obtain reasonable assurance that:

- the College's quality procedures are being adhered to in key areas; and
- progress is being made with implementation of the actions identified on the College's Enhancement Plan.

Our audit approach will be:

We will assess whether the above objectives have been met through discussion with the Vice Principal Student Experience, Director Performance & Improvement, a sample of Faculty Directors, and other relevant managers and staff, review of documentation and sample testing.

Audit Assignment:	Learning Support – Access and Inclusion Strategy
Priority:	Medium
Audit Committee Meeting:	**TBC**
Days:	5
Primary College Contact:	Gillian Plunkett, Director Student Experience
Provisional Start Date for Fieldwork:	June 2018

Scope

During academic year 2015/16 the SFC undertook a review of the Extended Learning Support (ELS) system which was part of its previous funding methodology. It concluded that these funds should be used by colleges to support their inclusive practices and that each college region should develop an evidence-based access and inclusion strategy as part of its Outcome Agreement document from 2017/18 onwards. This strategy must evidence how colleges use the Access and Inclusion Fund and the impact that this funding has.

The audit will review the action being taken by the College to implement its access and inclusion strategy and measure the success of this.

Objectives

The objective of our audit will be to obtain reasonable assurance that:

- adequate progress is being made with implementation of the actions set out in the College's access and inclusion strategy; and
- appropriate processes have been put in place to measure success.

Our audit approach will be:

We will assess whether the above objective has been met through discussion with the Vice Principal Student Experience, Director Student Experience, and other relevant managers and staff, and review of documentation.

Audit Assignment:	Student Engagement / Students' Association
Priority:	Medium
Audit Committee Meeting:	**TBC**
Days:	7
Primary College Contact:	Gillian Plunkett, Director Student Experience
Provisional Start Date for Fieldwork:	February 2018

Scope

Student engagement at the College is about students and staff working together to improve the learning and teaching experience. The College wants its students to be involved in all aspects of learning, helping to shape the College's direction by being a key part of the decision-making process in the College.

There are several ways students can get involved: be part of the Students' Association; become a Class Rep; attend a Focus Group; or attend a Course Action and Development Meeting.

The scope of this audit will be to review the College's student engagement activities including the link with the Students' Association.

Objectives

The specific objectives of our audit will be to obtain reasonable assurance that:

- a comprehensive and robust Student Engagement Strategy is in place which is reviewed on a regular basis;
- student engagement is monitored and evaluated on a regular basis;
- there is evidence of student engagement outcomes influencing planning and decision making;
- adequate resources are allocated to student engagement activities, including the Students' Association; and
- training and support is provided to staff and students where necessary.

Our audit approach will be:

From discussion with the Vice Principal Student Experience, Director Student Experience, Students' Association President, Students' Association Liaison Officer, and other relevant managers and staff, we will establish the College's approach to student engagement and compare with good practice.

Audit Assignment:	Teaching Staff Utilisation / Timetabling
Priority:	High / Medium
Audit Committee Meeting:	**TBC**
Days:	6
Primary College Contact:	Joanna McGillivray, Vice Principal Student Experience Faras Samara, Vice Principal Infrastructure
Provisional Start Date for Fieldwork:	February 2018

Scope

This audit will focus on three key areas relating to teaching staff utilisation / timetabling:

- Review of staffing needs, including longer term workforce planning for expected curriculum changes and succession planning;
- Utilisation of permanent contracted teaching hours and how staff are timetabled to maximise use of their contracted teaching hours; and
- Review of class sizes to ensure these are optimised.

Objectives

The overall objective of the audit will be to gain assurance that teaching staff are being efficiently utilised.

Secondary objectives will be to ensure that:

- the College has staff with the required skills, knowledge and experience for current service delivery;
- longer term staff needs are identified, and plans put in place for longer term workforce planning to meet expected curriculum changes and succession planning;
- the timetabling system is used to robustly record permanent staff contracted teaching hours and any under-utilisation is monitored and followed-up on a timely basis; and
- the size of classes is reviewed on a regular basis and decisions are made on a timely basis about merging or cancelling classes.

Our audit approach will be:

We will assess whether the objectives have been met by meeting with College managers responsible for the management and monitoring of teaching staff utilisation and timetabling and comparing the current approach to best-practise.

The review will be primarily of the systems and procedures in place although compliance testing will be carried out where appropriate.

Audit Assignment:	Infrastructure Contract Management / Help Desk
Priority:	High
Audit Committee Meeting:	**TBC**
Days:	7
Primary College Contact:	Fares Samara, Vice Principal Infrastructure
Provisional Start Date for Fieldwork:	May 2018

Scope

The College's new campuses were funded through a Non-Profit Distributing (NPD) arrangement, whereby a private consortium, GLQ, designed, built and will maintain the campuses over a 25-year period. The College will make unitary charge payments to the consortium over this period.

Under the contract GLQ is responsible for Hard Facilities Management (FM) services such as building and fabric maintenance (both planned and reactive). Responsibility for Soft FM, such as cleaning and grounds maintenance, is split between the College and GLQ.

This audit will review the arrangements in place to monitor the performance of GLQ against the terms of the contract, excluding planned maintenance which was reviewed separately as part of the internal audit programme for 2016/17 (internal audit report 2017/09, finalised 30 August 2017).

Objectives

The overall objective of the audit will be to determine whether appropriate controls have been put in place to ensure that the College receives value for money from the unitary charge payments made to GLQ.

Secondary objectives will be to ensure that:

- reported repairs are registered, classified and allocated to relevant contractors in a timely manner;
- reported repairs are controlled, monitored and completed on a timely basis;
- 'customer' feedback is sought where appropriate on the quality of the repair work; and
- trend analysis and reporting is carried out on the performance of the Help Desk.

Audit Assignment: Infrastructure Contract Management / Help Desk
(Continued)

Our audit approach will be:

We will review the terms of the contract with GLQ to identify what its responsibilities are. Through discussion with the Vice Principal Infrastructure. Head of Estates and Head of Facilities, and review of documentation, we will then establish what systems and controls have been put in place to ensure that these responsibilities are met. We will report on any areas where expected controls are found to be absent or where controls could be further strengthened.

Compliance testing will be carried out where necessary to ensure that the controls in place are operating effectively.

Audit Assignment:	Business Development / International Activities
Priority:	High / Medium
Audit Committee Meeting:	**TBC**
Days:	6
Primary College Contact:	Roy Gardner, Executive Director Corporate Development & Innovation
Provisional Start Date for Fieldwork:	April 2018

Scope

This audit will consider the key risks in relation to the College's commercial activities including its operations in the international market.

Objectives

The primary objective of this audit will be to establish whether procedures in place within the College are sufficient to maximise income generation and margin from commercial (non-SFC) activities.

Secondary objectives will be to ensure that:

- an effective strategic and operational planning process has been established, including identification of key markets and courses;
- an appropriate management and support structure has been put in place to identify and promote commercial opportunities, including marketing and agency arrangements to support the College with the recruitment of international students;
- key risks and opportunities are identified and mitigated / exploited;
- there is effective pricing in the market place, with full cost recovery as the target and careful consideration being given to activity which does not meet this target;
- management information, including financial information on each specific activity, is adequate and easily accessible to all relevant staff;
- there is regular review of activities by the Board of Management and its committees;
- feedback is sought from customers and acted upon;
- appropriate systems and procedures are in place to manage intellectual property risks covering areas such as: ownership; identification; application approval; and maintenance; and
- adequate arrangements have been put in place to prevent and respond to external claims against the College for breach of contract and robust agreements are signed with partners.

Audit Assignment: Business Development / International Activities (Continued)

Our audit approach will be:

From discussion with the Executive Director, Corporate Development & Innovation, Head of Business & Academy Development, Head of Marketing and other members of the Corporate Development and Innovation Team, and review of relevant documents, we will establish the key controls in place within the above areas and consider their adequacy.

Where relevant, sample testing will be carried out to establish whether key controls in place within the above areas are operating effectively in practice.

Audit Assignment:	Business Continuity
Priority:	High
Audit Committee Meeting:	**TBC**
Days:	5
Primary College Contact:	Paul Clark, Planning & Development Director
Provisional Start Date for Fieldwork:	May 2018

Scope

We will undertake a review of business continuity planning to consider whether there are adequate plans in place to minimise disruption to operations following loss of life, buildings or equipment.

Objectives

To obtain reasonable assurance that:

- Business Continuity Plans are in place covering all of the College's activities and locations;
- the Business Continuity Plans are workable, properly communicated to members of staff, and have been adequately tested; and
- the processes and procedures in place follow recommended good practice.

Our audit approach will be:

Obtain copies of Business Continuity Plans in place and consider whether they cover all of the College's activities and locations.

Discuss the College's approach with the Vice Principal Infrastructure, Head of Estates, Head of IT Infrastructure and other key staff, and review evidence of how plans have been communicated to staff and the extent to which plans have been tested.

An assessment of the key processes and internal controls will be performed with reference to relevant good practice guidance.

Audit Assignment:	Data Protection / Freedom of Information
Priority:	High / Low
Audit Committee Meeting:	**TBC**
Days:	5
Primary College Contact:	Julia Henderson, College Secretary
Provisional Start Date for Fieldwork:	March 2018

Scope

Data Protection
The EU General Data Protection Regulation (GDPR) will come into force across all member states (including the UK) on 25 May 2018. We will carry out a high-level review of the College's preparedness for implementation of the GDPR, to ensure that processes and procedures will be in place by May 2018 to allow compliance with this.

To help prepare for GDPR there are 12 steps that the Information Commissioner's Office advises that organisations take. These cover the following areas:
1. Awareness;
2. Information you hold;
3. Communicating privacy information;
4. Individual's rights;
5. Subject access requests;
6. Legal basis for processing data;
7. Consent;
8. Children;
9. Data breaches;
10. Privacy by design and impact assessments;
11. Data Protection Officers; and
12. International.

FOI
The scope of this aspect of the review will be to assess the adequacy and effectiveness of the processes and procedures in place to ensure compliance with the Freedom of Information (Scotland) Act 2002 (FOISA) and the Environmental Information (Scotland) Regulations 2004 (EIRs).

Audit Assignment: Data Protection / Freedom of Information (Continued)

Objectives

Data Protection
The main objective of this aspect of the audit will be to ensure that appropriate action is being taken by the College to prepare for compliance with the GDPR from May 2018.

FOI
The objective of this aspect of the audit will be to ensure that:

- members of staff have been formally appointed with overall responsibility for implementation of the FOISA / EIRs and responsibilities for these members of staff have been clearly documented and communicated to all staff;
- Freedom of Information policies and procedures exist within the College, that they comply with legislation, are revisited and revised regularly and are effectively communicated to all staff;
- the College has developed an awareness and training programme for all staff, including sufficient awareness training during the induction process and that all staff have received this training; and
- systems are in place to capture, record and monitor the number and types of Freedom of Information requests received, including the number of exempt requests and the number of requests responded to within / out with 20 working days.

Our audit approach will be:

Data Protection
We will establish the action taken to date by the College, and any further action planned, to implement the GDPR. The Information Commissioner's Office 12 steps checklist will be used as the basis for this discussion, and any additional action required will be highlighted.

FOI
Key staff will be interviewed to determine current working practices and the systems in place within the College in relation to Freedom of Information will be documented.

Freedom of Information policies and procedures will be reviewed to ensure compliance with legislation. We will also establish through discussions with key staff and documentary review, whether there is an adequate system in place to ensure policies and procedures are revisited and revised regularly and effectively communicated to staff.

The systems in place to capture, record, and monitor the numbers and types of Freedom of Information requests received will also be reviewed.

Checklists used by the Scottish Information Commissioner as part of the practice assessment process will be utilised for our work on the FOISA and EIRs.

Audit Assignment:	Credits Audit
Priority:	Required audit
Audit Committee Meeting:	November 2018
Days:	8
Primary College Contact:	Stuart Thompson, Vice Principal Finance & HR
Provisional Start Date for Fieldwork:	September 2018

Scope

Credits Audit Guidance, issued by SFC, requests that colleges obtain from their auditors assurances as to the reasonableness of procedures used in the compilation of the Credits related element of the FES return.

Objectives

To obtain reasonable assurance that:

- 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
- the FES return contains no material mis-statements.

Our audit approach will be:

Through discussion with College staff, and review of relevant documents, we will record the systems and procedures used by the College in compiling the returns and assess and test their adequacy. We will carry out further detailed testing, as necessary, to enable us to conclude that the systems and procedures are working satisfactorily as described to us.

Detailed analytical review will be carried out obtaining explanations for significant variations from previous years.

Our testing will be designed to cover the major requirements for recording and reporting fundable activity identified at Annex C to the Credits Audit Guidance and the key areas of risk identified in Annex D.

We will also review the final error report from the FES on-line checks.

Audit Assignment:	Follow-Up Reviews
Priority:	Various
Audit Committee Meeting:	**TBC**
Days:	4
Provisional Start Date for Fieldwork:	**TBC**

Scope

This review will cover recommendations from the 2017/18 internal audit programme that are past their due date for implementation, and reports from earlier years where previous follow-up identified recommendations outstanding.

Objective

To establish the status of implementation of recommendations made in previous internal audit reports.

Our audit approach will be:

- for the recommendations made in previous reports ascertain by enquiry or sample testing, as appropriate, whether they have been completed or what stage they have reached in terms of completion and whether the due date needs to be revised; and

- prepare a summary of the current status of the recommendations for the Audit Committee.