

# **AUDIT COMMITTEE**

**Monday 23 November 2020 at 4.30pm**



## AUDIT COMMITTEE

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The Twenty Seventh meeting of the Audit Committee will be held on Monday 23<sup>rd</sup> November 2020 at 4.30pm. The meeting will be held remotely due to COVID-19 meeting restrictions.

### A G E N D A

<b>20.45</b>	Welcome and Apologies			D Watt
<b>20.46</b>	Declarations of Interests			D Watt
<b>Minutes of Previous Meeting</b>				
<b>20.47</b>	Minutes of the Audit Committee meeting 30 <sup>th</sup> September 2020	P	D	D Watt
<b>20.48</b>	Matters Arising – Action Grid:	P	D	D Watt
<b>Items for Discussion/Decision</b>				
<b>20.49</b>	Final Internal Audit Annual Report 2019/20	P	D	Henderson Loggie
<b>20.50</b>	2019/20 Student Activity Data Audit Report	P	D	Henderson Loggie
<b>20.51</b>	2019/20 Student Support Funds Audit Report(s)	P	D	Henderson Loggie
<b>20.52</b>	Key Accounting Judgments	P	ND	T Elliott
<b>20.53</b>	Draft Annual Financial Statements for year ending 31 July 2020	P	ND	T Elliott
<b>20.54</b>	Draft External Audit Annual Report for year ending 31 July 2020	P	ND	Azets UK
<b>20.55</b>	Draft Annual Report from Audit Committee to Board of Management	P	ND	J Thomson
<b>20.56</b>	Cyber Security Risks	P	ND	J Thomson
<b>20.57</b>	College Assurance Framework Update	P	D	J Thomson
<b>Items for Information/Noting</b>				
<b>20.58</b>	Internal and External Audit Rolling Action Plan	P	ND	T Elliott
<b>20.59</b>	July 2020 Strathclyde Pension Fund Actuarial Valuation Report – Accounting Assumptions	P	ND	T Elliott
<b>20.60</b>	College Strategic Risk Register	P	D	J Thomson
<b>20.61</b>	Audit Committee Schedule of Work	P	D	D Watt
<b>20.62</b>	Confirmation re Appointment of External Auditors	P	D	C McConnell
<b>20.63</b>	Private Meeting with Internal and External Auditors	V	ND	D Watt
<b>20.64</b>	Any Other Business			D Watt

Date of next meeting: 4.30pm on Wednesday 3<sup>rd</sup> March 2021



## **AUDIT COMMITTEE**

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**AUDIT COMMITTEE MEETING**

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Date of Meeting	23 November 2020
Paper Title	Final Internal Audit Annual Report 2019/20
Agenda Item	20.49
Paper Number	20.49A
Responsible Officer	Henderson Loggie, Internal Auditors
Status	Disclosable
Action	For Discussion

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**1 REPORT PURPOSE**

The purpose of this paper is to submit to the Committee for discussion the Final Internal Audit Annual Report for 2019/20.

**2 RECOMMENDATION**

Members of the Audit Committee are invited to discuss this paper.

**3 BACKGROUND**

- 3.1 The College's internal auditors are Henderson Loggie who were appointed following a tender exercise for one year in 2015/16 which was then extended to October 2017. They were then reappointed for a further three years following a subsequent tender exercise. The current contract covers the financial periods of 2017/2018, 2018/2019 and 2019/2020 with an option to extend for a further year 2020/21. The College has exercised the option to extend the internal auditor contract to 2020/21. The College believes this is appropriate in order to ensure continuity of the internal audit service particularly in light of the current Covid19 crisis and the challenges this brings in terms of the tendering process.
- 3.2 As part of the internal audit activity, the auditor is required to provide a summary of the work undertaken in the closing financial year which provides an overview of the work undertaken including their conclusions and recommendations. The 2019/210 Internal Audit report from Henderson Loggie is attached to this paper.
- 3.3 As well as summarising the internal audit work completed during the year Henderson Loggie have provided their overall opinion on page 2 of the report which concludes that the College has adequate and effective arrangements for risk management, control and governance and proper arrangements are in place to promote and secure value for money. This is based on the work undertaken in the year and in the previous years since initial appointment.



**4 RISK ANALYSIS**

The internal audit plan reporting is part of the overall College internal control mechanism which is within the College's risk management framework.

**5 LEGAL IMPLICATIONS/ FINANCIAL IMPLICATIONS/ REGIONAL OUTCOME AGREEMENT IMPLICATIONS**

The College is required to have an internal audit function undertaken each year as part of the Financial Memorandum.

**6 HAS AN EQUALITY IMPACT ASSESSMENT BEEN CARRIED OUT**

N/A





# Glasgow Clyde College

**Annual Report to the Board of Management and  
Chief Executive on the Provision of Internal Audit  
Services for 2019/20**

**Internal Audit Report No: 2020/11**

**Draft issued: 16 November 2020**

**Final issued: 16 November 2020**

Now, for tomorrow





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# Annual Report and Opinion

## Introduction

- 1.1 We were re-appointed in September 2017 as internal auditors of Glasgow Clyde College ('the College') for the period 1 August 2017 to 31 July 2020 with an option to extend for a further 12 months, which the College has invoked. This report summarises the internal audit work performed during 2019/20.
- 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 2017/18 (internal audit report 2018/01, issued November 2017). The ANA was prepared following discussion with a number of College managers and Board members, and from a review of various College documents including previous internal 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 Committee, together with the ANA, at its meeting on 22 November 2017.
- 1.3 The annual operating plan for 2019/20 showed one change to the allocation set out in the above Strategic Plan. The proposed five-day review of International Activities was removed from the plan at the request of College management as the College did not have any international students. These days were subsequently redeployed to undertake an independent investigation report, which identified five recommendations to improve controls.
- 1.4 The reports submitted are listed in Section 2 of this report and a summary of results and conclusions from each assignment is given at Section 3.
- 1.5 An analysis of time spent against budget is 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 in May to confirm PSIAS compliance.
- 1.8 The results of our self-assessment are that we are able to confirm that our service is independent of the College and complies with the PSIAS.
- 1.9 External assessment is built into our firm-wide quality assurance procedures. MHA Henderson Loggie is a member of MHA, a national association of independent accountancy firms. Continued membership of MHA is dependent on maintaining a high level of quality and adhering to accounting and auditing standards in the provision of our services. Annual quality reviews are conducted to confirm our continuing achievement of this quality. The independent MHA review conducted in March 2019 included our internal audit service. This was a comprehensive independent review of our internal audit function as required every five years by PSIAS. Overall, the review confirmed that the firm's policies and procedures relating to internal audit were compliant with the PSIAS in all material respects. Our annual self-assessment exercise, conducted in May 2020, confirmed that the findings of the independent review remain valid.

## Significant Issues

- 1.10 All work conducted in 2019/20 assessed systems as either 'Good' or 'Satisfactory', or provided an unqualified audit opinion on College returns, and there were therefore no significant issues identifying major internal control weaknesses arising from our internal audit work. 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.

## Opinions

- 1.11 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 2019/20 and in previous years since our initial appointment.





## Reports Submitted

Number	Title	Overall Grade	Recommendations	Priority 1	Priority 2	Priority 3
2020/01	Annual Plan 2019/20	N/A	N/A	N/A	N/A	N/A
2020/02	Publicity and Communications	Good	3	-	-	3
2020/03	Quality	Good	-	-	-	-
2020/04	Staff Recruitment and Retention / Staff Development	Satisfactory	3	-	-	3
2020/05	Cash & Bank / Treasury Management	Good	-	-	-	-
2020/06	IT Network Arrangements	Good	-	-	-	-
2020/07	Follow-Up Reviews	N/A	13 out of 17 recommendations classified as 'fully implemented' and 2 were 'considered but not implemented'	-	-	2
2020/08	Equalities	Good	1	-	-	1

Overall gradings are defined as follows:

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



Recommendation grades are defined as follows:

<b>Priority 1</b>	Issue subjecting the organisation to material risk and which requires to be brought to the attention of management and the Audit Committee.
<b>Priority 2</b>	Issue subjecting the organisation to significant risk and which should be addressed by management.
<b>Priority 3</b>	Matters subjecting the organisation to minor risk or which, if addressed, will enhance efficiency and effectiveness.





## Summary of Results and Conclusions

### **2020/01 – Annual Plan 2019/20**

#### **Final Issued – September 2019**

The purpose of this document was to present for consideration by management and the Audit Committee the annual operating plan for the year ended 31 July 2020. The plan was based on the proposed allocation of audit days for 2019/20 set out in the Audit Needs Assessment and Strategic Plan 2017 to 2020, which was presented to the Audit Committee and approved at its meeting on 22 November 2017 (although refer to paragraph 1.3 above for changes from the initial Strategic Plan assignments).

The outline scope and objectives for each audit assignment to be undertaken during 2019/20, together with the proposed audit approach were arrived at following discussion with the Vice Principal, Resources and College Development and the Assistant Principal, Finance and Infrastructure and consideration by other members of the College Management Team. The outline scopes were finalised after discussion with responsible managers in each audit area.



**2020/02 – Publicity and Communications**

This audit considered the systems in place within the College for the management of positive and negative publicity externally, and internal communication.

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

**Strengths**

- Media Guidelines had been updated and redeveloped which would provide staff with detailed guidance on dealing with media enquiries and the role of the Marketing and Communications Department in supporting this activity;
- Digital and Social Media Guidelines had been developed to provide staff with a detailed framework in relation to digital activity (both in and out of the workplace);
- There was a 'PR Plan' in place which the Marketing and Communications Department delivered in collaboration with the College's appointed external PR agency;
- The Head of Marketing and Communications produced a weekly coverage update and this was shared via a weekly email;
- The College ran 'Student Takeovers' of their social media accounts when groups of students were participating in specific activities away from the College;
- All 12 members of the Senior Leadership Team had been provided with Media Training, with plans in place to provide additional, more in-depth training, for the Principal and the two Vice Principals;
- There was increased collaboration across the Glasgow Region in regard to communications, through a Marketing and Communications Steering Group;
- Responsible staff were assigned to undertake internal and external key communication activities;
- A range of internal and external communications were being utilised by the College including: Workplace, Face to Face, Email, Skype, Outlook Calendar, Printed Materials, Visual Display Screens, the Staff Intranet, the Clyde Connects Newsletter, the College Website and social media;

Final Issued – February 2020

Overall grade: Good

The specific objectives of this audit were to obtain reasonable assurance that:	
1. Policies, procedures and systems in place assist the College to maximise the benefits from positive publicity and effectively manage negative publicity, reducing the potential risk of damage to the College's reputation.	Good
2. Appropriate strategies, procedures, ICT and other systems are in place to assist and encourage internal communication and joint working between campuses and Academic Faculties / Support Services.	Good
<b>Overall Level of Assurance</b>	<b>Good</b>



## 2020/02 – Publicity and Communications (Continued)

### *Strengths (continued)*

- A range of activities were undertaken to support internal communications and joint working between campuses and Academic Faculties / Support Services; and
- The College had responded to feedback from Staff regarding internal communications as part of surveys carried out in 2015 and most recently 2018, alongside workshops held in 2017.

### *Opportunities*

- The addition of flowcharts, to supplement the recently updated and redeveloped Media Guidelines and the separate Digital and Social Media Guidelines, would allow increased clarity for staff on the recommended actions to be taken in specific circumstances in relation to media enquiries and in engaging in digital and social media;
- There was an opportunity to achieve synergies by bringing together the communications expertise within the College into the Marketing and Communications Department which would control both internal and external communications; and
- With the launch of the redesigned intranet platform and the launch of the Media Guidelines and the separate Digital and Social Media Guidelines it was an opportune time to review the format of the Clyde Connects newsletter to ensure that this document complemented the other communication channels used in order to strengthen brand identity.



## 2020/03 – Quality

This audit considered the systems in place within the College to review compliance with the College's quality procedures by Faculties and also reviewed the progress the College is making to implement the actions identified within its Enhancement Plan.

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

### Strengths

- The College had an established quality assessment process, which had been developed in line with Scottish Funding Council guidance;
- The use of performance data allowed an intelligence led approach to be taken, with a specific focus placed on underperforming HE and FE programmes;
- 'Programmes under review' had been introduced for academic year 2019/20, which allowed those programmes, where additional interventions were deemed necessary, to be formally recorded and tracked;
- From a quality perspective there were two main student surveys undertaken annually;
- A schedule of Learning and Teaching Focus Groups was in place with a standard approach delivered by the independent Quality Team;
- A Research and Development programme was in place which was funded by the Glasgow Clyde Education Foundation;
- A class representative system was in place across the College with direct linkages to the Student Association;
- A Professional Pathways programme had been implemented to support achievement of the Teaching Qualification in Further Education (TQFE) and reskilling under TQFE;
- The Quality Team had a key role in overseeing the process to update policies and procedures across the College;
- The Quality Team produced a Complaints Handling Procedure Annual Report;

Final Issued – February 2020

Overall grade: Good

The objectives of this audit were to obtain reasonable assurance that:	
1. The College's quality procedures are being adhered to in key areas	Good
2. Progress is being made with implementation of the actions identified in the College's Enhancement Plan.	Good
<b>Overall Level of Assurance</b>	<b>Good</b>



**2020/03 – Quality (Continued)**

***Strengths (Continued)***

- The College approach was set out within an evaluation cycle with standard templates in place to develop the Evaluative Report and Enhancement Plan (EREP); and
- In September each year the College Principal chaired evaluation validation meetings where each of the Heads of Curriculum reported to a panel which considered and evaluated an action plan for improvement and the outcome of this process supported the information shown in sections 3.1 and 3.2 of the College's Enhancement Plan.

***Weaknesses***

- No significant weaknesses were identified during our review.



## 2020/04 – Staff Recruitment and Retention / Staff Development

Final Issued – May 2020

Overall grade: Satisfactory

This audit reviewed the adequacy and effectiveness of policies and procedures for staff recruitment and selection and the processes in place that contribute to the retention and development of staff. The audit also assessed the arrangements in place for succession planning.

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

**Strengths**

- The Staffing Group, which met every six weeks, provided the College with a corporate oversight of the recruitment process ensuring that all recruitment was in line with the College's aims objective and available funding;
- There was an up to date guide in place detailing the required steps to be taken when recruiting staff;
- Job roles were defined and placed on the pay scales based on the independent FEDRA job evaluation process;
- Guidance and support were available for the staff undertaking the selection process including interviews;
- The recruitment team used a checklist to monitor the progress of each recruitment exercise to ensure compliance with the required approach;
- The required pre-employment checks, including identity and disclosure were undertaken before employment commenced;
- A new induction process was in place to support new employees;
- The College had introduced a new set of values which set a benchmark for expected behaviours for its staff;
- All staff undertook an annual review to identify individual staff training needs which were assessed against the College values, in addition this process identified individuals personal developmental objectives;
- Training and development programmes were in place to support College staff training needs and developmental objectives;
- Support was also in place for lecturers without a teaching qualification to obtain the General Teaching Council Scotland (GTCS) qualification;
- GTCS had approved the College's CPD approach for ongoing validation for teaching staff to maintain their professional teaching qualification;

The specific objectives of this audit were to obtain reasonable assurance that:	
1. There are appropriate formal policies and procedures relating to recruitment and selection which meet legal requirements, including those regarding equality and diversity, and these are being followed in practice	Satisfactory
2. The College has appropriate policies and processes in place that contribute to the retention of staff, including good employee engagement, reward and recognition, and ongoing training which are in line with good practice and being effectively implemented	Good
3. Appropriate succession planning arrangements are in place.	Satisfactory
<b>Overall Level of Assurance</b>	<b>Satisfactory</b>



**2020/04 – Staff Recruitment and Retention / Staff Development (Continued)**

***Strengths (Continued)***

- The College had a wide range of non-pay benefits to staff including increased flexible working, pensions, life insurance, employee support and a staff discount scheme;
- There were Key Performance Indicators (KPI's) in place to monitor the recruitment and retention process including training undertaken by staff with six monthly progress reports submitted to the Board of Management Organisational Development Committee; and
- Overall, the College had a low staff turnover rate, at an average of around 4%.

***Weaknesses***

- The Terms of Reference (ToR) for the Staffing Group which provided strategic oversight of the College's recruitment process was not fully aligned with best practice in corporate governance as it did not detail the role of the group within the College's governance and assurance arrangements;
- Audit testing identified a mismatch between the maintenance of the clerical and system records held by HR, therefore not all the recruitment checklists were fully updated in both systems; and
- There was no formal approach to staff succession planning in place within the College.



**2020/05 – Cash & Bank / Treasury Management**

The scope of this audit was to review the key internal controls in place within the College over the recording of cash, cheque, credit / debit card, direct transfer and direct debit payments received from students, commercial customers and staff onto the finance system. The audit covered the systems in place within the Finance Office and other areas within the College where a significant volume of payments is received (including the Cardonald refectory).

We also carried out a high-level review of the College's treasury management arrangements covering:

- overall arrangements including policies and procedures;
- cash flow management; and
- banking arrangements.

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

**Strengths**

- From our sample testing we confirmed that monies collected by the College had been fully, accurately and timeously recorded, and that monies received had been banked intact and in a timely manner.
- Regular reconciliations were carried out between actual receipts and amounts recorded in the College's finance system. The bank reconciliations reviewed as part of our audit had all been prepared and reviewed on a timely basis and there were no un-reconciled differences or unusual reconciling items.
- A Treasury Management Policy was in place as part of the College's Financial Regulations and this had been aligned with the relevant sections of the Scottish Public Finance Manual (SPFM).

**Weaknesses**

- Our review did not identify any control weaknesses.

Final Issued – May 2020

Overall grade: Good

The specific objectives of the audit were to gain reasonable assurance that:	
1. Monies collected by the College from all sources are fully, accurately and timeously recorded	Good
2. All monies received are banked intact and in a timely manner	Good
3. Regular reconciliations are carried out between actual receipts and amounts recorded in the College's finance system	Good
4. The College's treasury management arrangements are in line with good practice	Good
<b>Overall Level of Assurance</b>	<b>Good</b>



## 2020/06 – IT Network Arrangements

ICT security plays an important part in ensuring that business applications are available for use and that sensitive information cannot be accessed by unauthorised users. This audit reviewed the controls in place to ensure that ICT security is adequately managed, in line with the latest guidance produced by the National Cyber Security Centre (NCSC), the UK Government's national technical authority for information and cyber security.

We also carried out a high-level review of the College's ICT Business Continuity and Disaster Recovery arrangements.

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

**Strengths**

- Hardware and software inventories were maintained.
- Vulnerability scans of the College network were conducted regularly, and the College IT team constantly monitored the health and activity on the ICT network.
- Processes were in place for applying updates and patches to all devices connected to the College network.
- The ICT architecture protected the College network through use of firewalls and prevented direct connections to untrusted external services and protected internal IP addresses.
- Penetration testing of the external boundaries was conducted annually, and findings were used by the ICT Team to address any security weaknesses.
- Management of user accounts was linked to the College's Human Resources led starter, leaver and change of role procedures.
- Network hardware was protected by an anti-virus solution which was updated daily and automatically scanned for malware.
- All ICT equipment and removable media was scanned for malware when connected to the College network or networked equipment.
- Software was deployed across the network which monitored, amongst other things, the number of approved user licences and renewal dates.

Final Issued – May 2020

Overall grade: Good

The specific objectives of this audit were to obtain reasonable assurance that adequate systems are in place covering:	
1. physical controls over access to network servers;	Good
2. compliance with an acceptable usage policy, including for mobile technology and the use of social media;	Good
3. logical access controls, including: <ul style="list-style-type: none"> <li>♦ checks to ensure user access and user functionality is appropriate;</li> <li>♦ passwords; and</li> <li>♦ procedures for setting up and revoking users</li> </ul>	Good
4. adequate review of change control (upgrades, patches) and emergency access;	Good
5. review of system administrator actions;	Good
6. monitoring of attempted unauthorised access;	Good
7. identification of unlicensed software;	Good
8. remote user security procedures; and	Good
9. ICT Business Continuity and Disaster Recovery.	Good
<b>Overall Level of Assurance</b>	<b>Good</b>



2020/06 – IT Network Arrangement (Continued)

**Strengths (continued)**

- All upgrades, patches, hardware, and software configurations which affected the College network, were approved in line with the College's change management procedures.
- The College used a remote desktop solution which allowed staff remote access to College data and applications via a virtual desktop environment without accessing the Active Directory database directly, thereby reducing the risk of compromise of data security.
- ICT disaster recovery and response procedures were in place which focused on the protection and recovery of the College's data and key systems. Back-up procedures had been established, where the back-up frequency was based on the level of systems / data criticality.
- The College was a member of the HEFESTIS (the Universities and Colleges Shared Services group for information security) which provided the College with access to information security expertise and an incident response team in the event of a significant cyber-attack.

**Weaknesses**

- No significant weaknesses were identified during our review.



**2020/07 – Follow-Up Reviews 2019/20**

**Final Issued – September 2020**

We carried out a follow-up review of the recommendations made in Internal Audit reports issued during 2019/20, and reports from earlier years that had either not already been subject to follow-up or where previous follow-up identified recommendations outstanding. These were:

- Internal Audit Report 2019/08 – ESF Funding
- Internal Audit Report 2019/09 – Health and Safety
- Internal Audit Report 2019/10 – Follow-Up Reviews 2018/19
- Internal Audit Report 2020/02 – Publicity and Communications; and
- Internal Audit Report 2020/04 – Staff Recruitment and Retention / Staff Development.

The objective of each of our follow-up reviews was to assess whether recommendations made in previous reports had been appropriately implemented and to ensure that, where little or no progress had been made towards implementation, that plans were in place to progress them.

Overall, the College had made good progress in implementing the recommendations followed-up as part of this review with 13 of the 16 recommendations which were past their due date being categorised as 'fully implemented'. One of these 16 recommendations was assessed as 'partially implemented' and this will be subject to follow-up at a later date. One recommendation from Internal Audit Report 2019/09 – Health and Safety and one recommendation from report 2019/05 – Budgetary Control (included in Follow-Up Reviews 2018/19) had been 'considered but not implemented'. College management concluded that the Fire TagEvac system would not be suitable for installation into College buildings (report 2019/09) and advised that it would not be practical to attempt to prepare a budgeted spend to actual spend report by individual staff member each month (report 2019/05). The control issue originally highlighted in the report had been addressed by the action taken.

One action had not reached the agreed implementation date and will be subject to follow up, along with the partially implemented recommended outlined above, as part of the 2020/21 follow up work.



# Internal Audit Annual Report 2019/20

## 2020/07 – Follow-Up Reviews 2019/20 (Continued)

Our findings from each of the follow up reviews has been summarised as follow:

From Original Reports			From Follow-Up Work Performed				
Area	Rec'n Grades	Number Agreed	Fully Implemented	Partially Implemented	Little or No Progress Made	Considered But Not Implemented	Not Past Agreed Completion Date
ESF Funding	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	1	1	-	-	-	-
Total		1	1	-	-	-	-
Health and Safety	1	-	-	-	-	-	-
	2	1	1	-	-	-	--
	3	5	4	-	-	1	--
Total		6	5	-	-	1	-
Follow-Up Reviews 2018/19	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	4	3	-	-	1	-
Total		4	3	-	-	1	-
Publicity and Communications	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	3	2	1	-	-	-
Total		3	2	1	-	-	-
Staff Recruitment and Retention / Staff Development	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	3	2	-	-	-	1
Total		3	2	-	-	-	1
Overall Total		17	13	1	-	2	1
Percentage		100%	76%	6%	-	12%	6%



## 2020/08 – Equalities

The scope of this audit was to review the action taken by the College, and the systems and procedures put in place, to integrate equality into its day-to-day working.

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

**Strengths**

- From our review of documentation, we considered that the College complied with equalities legislation and regulations;
- The College had appropriate equality and diversity strategies and working practices in place and provided relevant induction and refresher training to staff;
- The College had a dedicated Equality and Diversity Officer, and key personnel within Human Resources (HR), to help ensure that legislation was being complied with and that any equality and diversity concerns were being addressed appropriately;
- The College had an excellent and well-developed process for engaging with students to identify any specific needs or additional support they may require during their College life. This process began at the application stage and continued throughout the students' time at the College;
- The College led and collaborated on a number of local and national equality and diversity initiatives, which allowed the provision of up-to-date information and support to students;
- The College published all of the relevant equality and diversity data and information on its website; and
- Our review established that the College not only complied with its legal obligations but demonstrated a proactive approach in actively embracing the embedding of core concepts of equality and diversity in College working practices.

**Opportunities**

- Although the College had a range of strategies and procedures in place around equality and diversity, and we noted that the College had a written Equality and Respect Policy and an Equalities and Respect Statement in place, these documents did not showcase all elements of the College's Equality and Diversity practices. A more detailed policy document would provide a useful reference for staff, students, visitors and other stakeholders.

Final Issued – September 2020

Overall grade: Good

<b>The specific objective of this audit was to obtain reasonable assurance that the College is complying with its legal duties under:</b>	
a) Section 149 of the Equality Act 2010; and b) The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 as amended.	<b>Good</b>
<b>Overall Level of Assurance</b>	<b>Good</b>



2020/08 – Equalities (continued)

*Opportunities (continued)*

- The College had recognised that self-disclosure of protected characteristic information from current staff had been low and considerable efforts had been made to increase disclosure rates and improve reporting. We noted that reference was made to low disclosure rates and efforts to increase these in the Mainstreaming Report 2019, Equality Outcomes Report 2017-2021 and Gender Pay Gap and Equal Pay Report published in April 2018.



## Time Spent - Actual v Budget

	Report number	Planned days	Actual days feed	Days to fee at Nov 20	Days to spend / WIP	Variance
<b>Reputation</b>						
Publicity and Communications	2020/02	4	4	-	-	-
<b>Student Experience</b>						
Quality	2020/03	5	5	-	-	-
<b>Staffing Issues</b>						
Staff Recruitment and Retention )	2020/04	5	5	-	-	-
Staff Development )						
<b>Financial Issues</b>						
Cash & Bank / Treasury Management	2020/05	4	4	-	-	-
<b>Organisational Issues</b>						
Equalities	2020/08	4	4	-	-	-
<b>Information and IT</b>						
IT Network Arrangements	2020/06	5	5	-	-	-
<b>Other Audit Activities</b>						
Management and Planning )	2020/01	5	5	-	-	-
External audit / SFC )						
Attendance at audit committees )						
Follow-up Reviews	2020/07	3	3	-	-	-
Investigation Report		5	5	-	-	-
<b>Total</b>		40	40	-	-	-
		=====	=====	=====	=====	=====



## Operational Plan for 2020/21

- 5.1 Given that the College has invoked a one-year contract extension, which progresses beyond the period covered by the ANA and Strategic Plan 2017 to 2020 (Report 2018/01, issued on 2 November 2017), an internal audit plan was prepared for 2020/21 based on discussions with the Vice Principal, Resources and College Development and consideration by other members of the College Management Team, consideration of areas of higher risk and need from a review of the College's Strategic Risk Register and a review of previous internal audit coverage. This Annual Plan for 2020/21 was approved by the Audit Committee at the meeting in September 2020.
- 5.2 An extract from the approved programme of internal audit work for 2020/21 is shown below.

### Proposed Allocation of Audit Days

	Category	Priority	Planned 20/21 Days
<b>Reputation</b>			
<i>Publicity and Communications</i>	Gov	M	
<i>Health and Safety</i>	Gov	M	
<b>Student Experience</b>			
<i>Curriculum</i>	Perf	H/M	
<i>Quality</i>	Perf	M	
<i>Student support</i>	Perf	M	6
<i>Student recruitment and retention</i>	Fin/Perf	H	
<i>Student welfare – Duty of Care</i>	Perf	H/M	
<i>Students Association</i>	Gov	M	
<b>Staffing Issues</b>			
<i>Staff recruitment and retention )</i>	Perf	M/L	
<i>Staff development )</i>	Perf	H/M	
<i>Payroll</i>	Fin	M	5
<b>Estates and Facilities</b>			
<i>Building maintenance</i>	Fin/Perf	M	
<i>Estates strategy / capital projects</i>	Fin/Perf	H/M	
<i>Space management</i>	Perf	H	
<i>Assets / fleet management</i>	Perf	L	



**Proposed Allocation of Audit Days (Continued)**

	Category	Priority	Planned 20/21 Days
<b>Financial Issues</b>			
<i>Budgetary control</i>	Fin	H	
<i>Student fees and contracts / registry</i>	Fin	M	
<i>ESF funding</i>	Gov/Fin	M	
<i>General ledger</i>	Fin	M	
<i>Procurement and creditors / purchasing</i>	Fin	M	
<i>Debtors/ Income</i>	Fin	M	
<i>Cash &amp; Bank / Treasury management</i>	Fin	M	
<i>Fraud Prevention, Detection and Response</i>	Fin	M	6
<i>Delivery of Efficiency Savings Plan</i>	Fin	H	4
<b>Commercial Issues</b>			
<i>Business Development</i>	Fin/Perf	H/M	
<i>International Activities</i>	Gov/Fin/Perf	H/M	
<b>Organisational Issues</b>			
<i>Risk Management*</i>	Perf	M	6
<i>Business Continuity*</i>	Perf	L	
<i>Corporate Governance</i>	Gov	M	
<i>Corporate Planning</i>	Perf	M	
<i>Performance reporting / KPIs</i>	Perf	M	
<i>Partnership Working (incl. Regional Engagement)</i>	Gov/Perf	M	
<i>Equalities</i>	Gov	M	
<b>Information and IT</b>			
<i>IT network arrangements</i>	Perf	H/M	
<i>Data protection</i>	Gov	H	
<i>FOI</i>	Gov	L	
<i>Systems development / implementation</i>	Perf	M	
<i>Digital / IT strategy Implementation</i>	Perf	M	5
<b>Other Audit Activities</b>			
Management and Planning )			5
External audit / SFC )			
Attendance at Audit Committee )			
Follow-up reviews		Various	3
<b>Total</b>			<u>40</u>
			=====

**Key**

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

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

\* these assignments will be linked



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## **AUDIT COMMITTEE MEETING**

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Date of Meeting	23 November 2020
Paper Title	2019/20 Student Activity Data Audit Report
Agenda Item	20.50
Paper Number	20.50A and 20.50A1
Responsible Officer	Henderson Loggie, Internal Auditors
Status	Disclosable
Action	For Discussion

---

### **1 REPORT PURPOSE**

The purpose of this report is to submit to the Committee for discussion the 2019/20 Student Activity Data Audit Report which has been produced by the College's Internal Auditors, Henderson Loggie.

### **2 RECOMMENDATION**

Members of the Audit Committee are invited to discuss this paper.

### **3 BACKGROUND**

It is a requirement that an audit of student activity data is completed each year for every college after the end of the academic session to verify student activity data against the SFC target. The report contains no recommendations.

### **4 LEGAL IMPLICATIONS/ FINANCIAL IMPLICATIONS/ REGIONAL OUTCOME AGREEMENT IMPLICATIONS**

The College is required to have an internal audit function undertaken each year as part of the Financial Memorandum.

### **5 HAS AN EQUALITY IMPACT ASSESSMENT BEEN CARRIED OUT**

N/A





# **Glasgow Clyde College**

**2019/20 Student Activity Data**

**Internal Audit Report No: 2020/09**

**Draft issued: 2 November 2020**

**Final issued: 4 November 2020**

Now, for tomorrow





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## Management Summary

### Introduction

The Guidance Notes issued by the Scottish Funding Council (SFC) on 16 July 2020, '*2019-20 data return for funding purposes (FES return) and audit guidance for colleges*', requested submission by Glasgow Clyde College ('the College') of the FES return for session 2019/20, which includes the Credits data relating to College activity for the academic year 2019/20.

Guidance on completion of the 2019/20 return was issued by the SFC on 3 July 2019.

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

### Scope of Audit

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

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

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

### Audit Staffing

An Audit Director with 27 years' experience in the further and higher education sectors had overall responsibility for the planning, control and conduct of the audit and supervised and reviewed work performed by a Manager and a Senior Auditor with 15 and four-years' experience in the sector respectively.

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

The total number of audit days was 7, split 1 day for the Audit Director, 3 days for the Manager and 3 days for the Senior Auditor.



### Audit Findings

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

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

No issues have been identified from our audit testing for 2019/20 that required a recommendation for improvement to be made.

### Conclusion

Our report was submitted to the SFC on 8 October 2020. 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
- on the basis of our testing we can provide reasonable assurance that the FES return contains no material misstatement.

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

### Acknowledgements

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





# Main Report

## 1. Introduction

### 1.1 SFC Guidance

1.1.1 The Credits Audit Guidance issued by the Scottish Funding Council (SFC) on 16 July 2020 sets out, at Annex D, the key areas of risk in relation to the preparation of the FES return. These are:

- identification of non-fundable activity, both courses and students.
- classification as higher education or further education.
- classification as full-time or other than full-time.
- identification and counting of infill students.
- allocation of Price Group code.
- capturing of enrolments and identification and recording of student withdrawals.
- allocation of Credit values.
- claims for related study.
- recording of fee waivers.
- recording of progress for students on open / distance learning programmes.
- claims for non-accredited work experience / placement; and
- claims for collaborative provision.

1.1.2 For academic year 2019/20 we established that there had been no significant changes to the systems and procedures used in the compilation of the returns. We then carried out detailed testing, as necessary, to enable us to conclude that the systems and procedures were working satisfactorily. Detailed analytical review was carried out, including a comparison with last year's data, and obtaining explanations for significant variations by Price Group.

1.1.3 As requested by the Credits Audit Guidance this report indicates: the scope of the audit; the approach taken; an indication of analytical review work performed; the extent of checking undertaken; the external data examined; review of prior year recommendations; and the main findings from our audit work. No errors were found during the course of the audit.



### 2. Systems and Procedures for Compilation of Returns

#### 2.1 Introduction

2.1.1 Detailed testing at the year-end Credits audit included two main tests on courses and individual students.

2.1.2 The following tests were carried out for a sample of 15 courses selected from the UNIT-e system:

- a) Ensured that the course met the criteria for fundable activity set out in the Credits guidance.
- b) Where applicable, ensured that the course met the definition of further or higher education set out in the Credits guidance.
- c) Ensured that courses recorded as full-time met the definition for full-time as set out in the Credits guidance.
- d) Checked the student total for a programme against course / class lists or course / class register. Checked calculation of the required date and ensured that students who had withdrawn prior to this date had been excluded from the Credits count; and
- e) Checked allocation of Credits to courses is in accordance with the Credits guidance.

2.1.3 For a total of 80 students selected from the above courses the following tests were carried out, where applicable:

- a) Ensured that the student met the criteria for fundable activity set out in the Credits guidance.
- b) Checked back to signed enrolment forms, or electronic equivalent, for the 2019/20 academic year.
- c) For infill courses, ensured that Credits were allocated according to the modules attended by individual students rather than by the default value for the courses being infilled.
- d) Checked to student attendance records and, for withdrawals (including a further sample of 15 full-time students who withdrew within two weeks after the Credits qualifying date), checked that the withdrawal date noted on the system was the last date of physical attendance; and
- e) For students undertaking work experience ensured that the credits value had been calculated in line with the Credits guidance.

2.1.4 The following tests were carried out by reviewing records for all College courses:

- a) Confirmed that there were no claims for more than one full-time enrolment per student for 2019/20 and ensured that Credits had not been claimed in respect of courses that were related in respect of subject area, unless progression could be clearly established; and
- b) Confirmed that there were no claims for overseas students and students enrolled on full cost recovery commercial courses.

2.1.5 In relation to European Social Funds (ESF), for a sample of 10 students selected from the College's ESF funded programmes, testing was carried out on the College's systems for administering the additional funding, in line with conditions of grant. This included:

- a) reviewed the eligibility of students flagged for ESF Credits.
- b) ensured that supporting documentation was held for ESF students, including: a completed participant form; proof of nationality; proof of permanent residence; and appropriate notification issued to the student; and
- c) ensuring that Credits are only claimed for completed modules.



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

#### 2.1 Introduction (continued)

- 2.1.6 We reviewed the systems for recording fee waiver entitlement and carried out an analytical review to ensure the accuracy of the fee waiver element of the FES return. For a random sample of 10 part-time students we confirmed that College staff had verified the entitlement to benefit.
- 2.1.7 It was confirmed by the Head of MIS that the College is not involved in any collaborative provision and no such courses were identified during our audit testing. Additionally, we established that the College had only claimed a very small number of Credits for Open / Distance learning courses (30.65) as the College mainly offered these as commercial courses, and no work-based learning courses were included in the Credits claim. No further work was undertaken in these areas.
- 2.1.8 Before signing our audit certificate, we reviewed the final FES online report and the explanations for remaining errors.
- 2.1.9 From our review and testing of the systems and procedures used in the compilation of the returns, we concluded that overall, they were adequate to minimise risk in the areas identified in Annex D of the Credits Audit Guidance and were working satisfactorily as described to us.
- 2.1.10 The remainder of this report discusses issues identified during our review of the 2019/20 student activity data.

#### 2.2 Enrolment Data

- 2.2.1 Within the sample of courses tested we identified that for one part-time course, CISCO CCNA (172.8 Credits), there was no separate enrolment form completed for students on the course. Each of the students enrolled on the course undertook the course in addition to being enrolled on full-time HND computing programmes, in order to improve their employability prospects. The College's enrolment procedures require that details of additional units or programmes of study should be recorded on the enrolment form, which then allows the MIS team to enrol students onto courses within the UNIT-e student records system. In this instance we noted that students were enrolled onto the additional part-time course after the main enrolment period had been completed and therefore the College's normal procedure was not followed. We made a similar observation in our 2018/19 Student Activity Data report.
- 2.2.2 The Credits guidance requires that colleges provide evidence that a student is enrolled and is participating in a college programme. The usual process for enrolment is to obtain an agreement on the course to be undertaken, which is then signed by the student and a representative of the college. However, the Credits audit guidance also states that colleges may wish to use alternative evidence, such as attendance records and works submissions, other than a signature. As part of our audit testing, we were able to evidence communications and correspondence between curriculum staff and the MIS team requesting students be formally enrolled onto the CISCO CCNA programme and we verified attendance records for a sample of students. For the sample of students selected, copies of the enrolment forms that had been completed for their full-time HND programme were reviewed and details agreed to ensure that each student satisfied other eligibility criteria, including residency. We are satisfied from the additional information received that there was evidence that these students had been appropriately enrolled and participated on the CISCO CCNA programme.



### 3. Analytical Review

- 3.1 The analytical review by Price Group for the current year, included at Appendix II of this report, showed significant variances in Price Group 2. These were discussed with College management. The explanations we received provided us with additional assurance that the Credits claim does not contain material errors:
- Price Group 2: Reduction of 1,400 Credits due to contraction in activity in the Health & Wellbeing Faculty as a result of under recruitment of students in 2019/20. Changes to curriculum content and the way courses are marketed have been made for 2020/21 to improve recruitment.



## Appendix I – Copy of Audit Certificate

GLAS366/DA/STI

Glasgow Clyde College  
690 Mossspark Drive  
Glasgow  
G52 3AY

8 October 2020

Dear Sirs

### **Auditor's Report to the Members of the Board of Management of Glasgow Clyde College**

We have audited the FES return which has been prepared by Glasgow Clyde College under the 'Credits' Guidance issued 3 July 2019 and updated guidance relating to 'one plus' activity and which has been confirmed as being free from material misstatement by the College's Principal in his Certificate dated 5 October 2020. We conducted our audit in accordance with guidance contained in the 2019-20 audit guidance for colleges and updated guidance relating to 'one plus' activity. The audit included an examination of the procedures and controls relevant to the collection and recording of student data. We evaluated the adequacy of these controls in ensuring the accuracy of the data. It also included examination, on a test basis, of evidence relevant to the figures recorded in the student data returns. We obtained sufficient evidence to give us reasonable assurance that the returns are free from material misstatement.

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
- on the basis of our testing we can provide reasonable assurance that the FES return contains no material misstatement.

Stuart Inglis  
Director  
For and on behalf of MHA Henderson Loggie  
Chartered Accountants  
Dundee Office  
[stuart.inglis@hlca.co.uk](mailto:stuart.inglis@hlca.co.uk)

8 October 2020

Date FES returned: 2 October 2020

MHA Henderson Loggie is a trading name of Henderson Loggie LLP

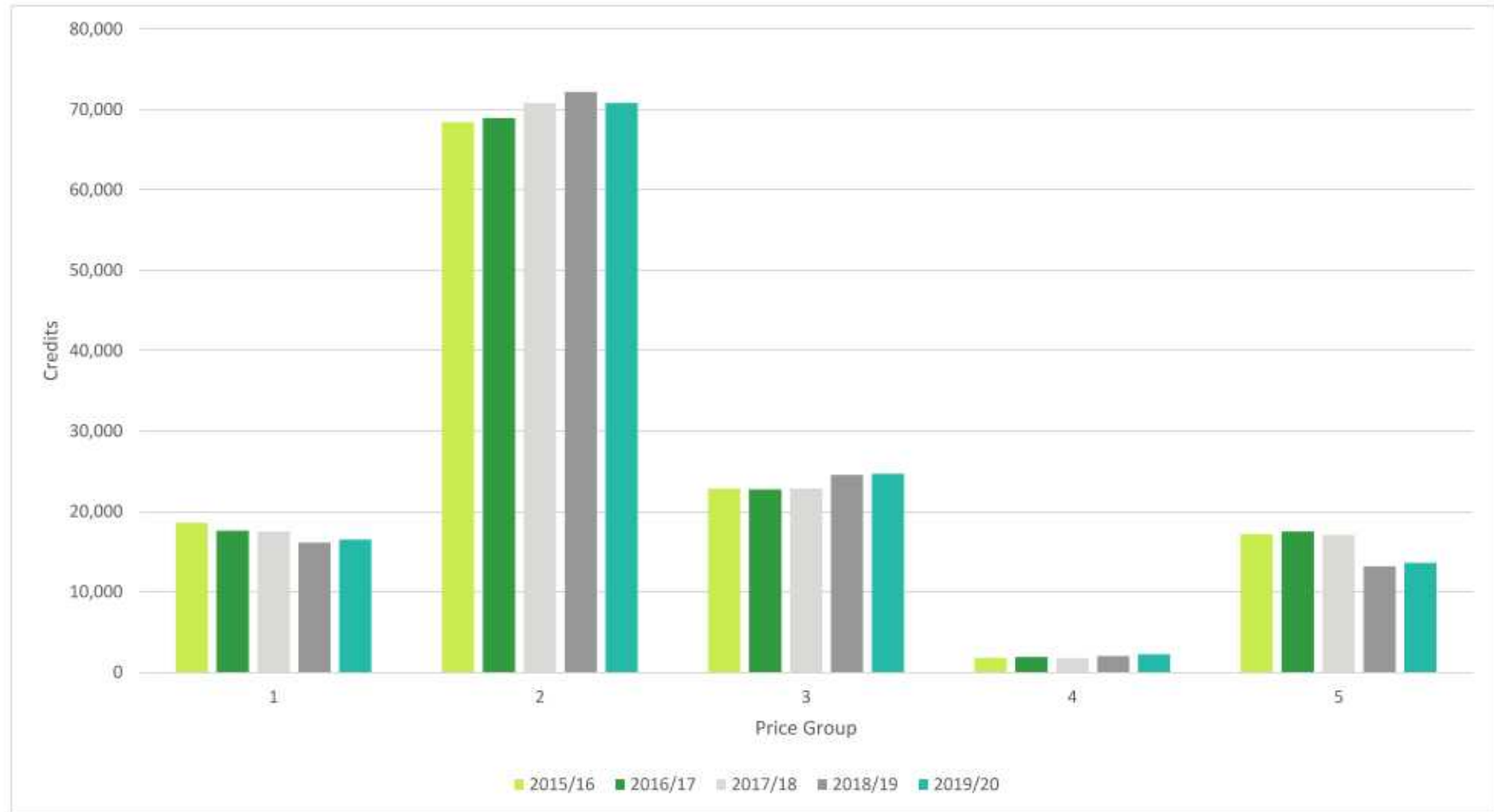


## Appendix II – Price Group Analytical Review 2018/19 and 2019/20 – Figures

Price Group	2018/2019		2019/2020		Variance	Variance
	Credits		Credits		Credits	%
1	16,136		16,511		375	2.3
2	72,205		70,805		(1,400)	(1.9)
3	24,556		24,715		159	0.6
4	2,006		2,250		244	12.2
5	13,203		13,615		412	3.1
	<b>128,106</b>		<b>127,896</b>		<b>(210)</b>	<b>(0.2)</b>



## Appendix III – Price Group Analytical Review 2015/16 to 2019/20 – Graph





## Appendix IV – Updated Action Plan – Student Activity Data 2018/19

Para Ref.	Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress at October 2020
2.2.1	<p><b>Systems and Procedures for Compilation of Returns</b></p> <p><b>Associate Students</b></p> <p><b>R1</b> Ensure that nil Credits are claimed for all Associate Students identified on the FES2.</p>	2	We will: 1) approach the developer of our UNITE MIS software to request a system change making a nil Credit claim automatic based on flagging of Associate Students on FES2; and 2) add a final check on the Credit claim for Associate Students to future years' returns to ensure a nil Credit claim.	Y	Head of MIS	December 2019	<p>No similar issues noted during testing in 2019/20. Associate students have their funding claimed by the partner university. A review of the FES2 data identified 200 Associate students where a total of zero Credits had been included in the FES return.</p> <p><b>Fully Implemented</b></p>

Gradings were as follows:

<b>Priority 1</b>	Issue subjecting the College to material risk and which requires to be brought to the attention of management and the Audit Committee.
<b>Priority 2</b>	Issue subjecting the College to significant risk and which should be addressed by management.
<b>Priority 3</b>	Matters subjecting the College to minor risk or which, if addressed, will enhance efficiency and effectiveness.



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Our ref: GLAS366/DA/STI/1260434

Your ref:

Kenny Wilson  
Senior Policy / Analysis Officer  
Funding Policy  
Scottish Funding Council  
Apex 2  
97 Haymarket Terrace  
Edinburgh  
EH12 5HD

8 October 2020

Dear Sir

**2019/20 Student Activity Data  
Glasgow Clyde College**

On behalf of our above named client, we have pleasure in enclosing our Audit Certificate in relation to the College's FES return for academic year 2019/20.

We understand that the College certificate of Credits claimed, signed by the Principal, has already been submitted by the College.

Should you have any queries regarding the enclosed, please do not hesitate to contact us.

Yours faithfully



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

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All correspondence signed by an individual is signed for and on behalf of Henderson Loggie LLP.

Reference to a 'partner' is to a member of Henderson Loggie LLP

A list of members' names is available for inspection at each of these addresses.



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## **AUDIT COMMITTEE MEETING**

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Date of Meeting	23 November 2020
Paper Title	2019/20 Student Support Funds Audit Reports
Agenda Item	20.51
Paper Number	20.51A1, 20.51A2, 20.51A3, 20.51A4
Responsible Officer	Henderson Loggie, Internal Auditors
Status	Disclosable
Action	For Discussion

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### **1 REPORT PURPOSE**

The purpose of this report is to submit to the Committee for discussion the 2019/20 Student Support Funds Audit Report and related signed returns to the Scottish Funding Council (SFC) and the Students Awards Agency for Scotland (SAAS). This report has been produced by the College's Internal Auditors, Henderson Loggie.

### **2 RECOMMENDATION**

Members of the Audit Committee are invited to discuss this paper.

### **3 BACKGROUND**

- 3.1 There are four student support funds which Glasgow Clyde College administers on behalf of others and these are bursary funding, childcare funding, discretionary funding and educational maintenance allowances.
- 3.2 The student support funds represent a substantial amount of funding which is allocated to students by the College on behalf of various bodies following their relevant guidance and national policies. Each of the funds needs to be fully accounted for and audited for each academic year. For the bursary funding, further education discretionary funding, and childcare funding, the Scottish Funding Council (SFC) provided an allocation for the academic year 2019/20 which totalled just over £11Million for Glasgow Clyde College students, the largest element being bursary funding at £8.5Million. The Higher Education discretionary funding is allocated by the Student Awards Agency for Scotland (SAAS) and was £339k for Glasgow Clyde College students for the academic year 2019/20. Educational maintenance allowances are claimed retrospectively from SFC based on actual sums paid to students.



3.3 The audit report indicates that Henderson Loggie were able to certify all fund statements for the year and submit them to the appropriate bodies without qualification. The related auditor letters and supporting returns are included as appendices to the report.

3.4 There is one low risk priority three recommendation outlined in the report which has been accepted by management and will be implemented by December 2020. The report also makes reference to a low risk priority three recommendation from the prior year which will be implemented by January 2021.

**4 LEGAL IMPLICATIONS/ FINANCIAL IMPLICATIONS/ REGIONAL  
OUTCOME AGREEMENT IMPLICATIONS**

The College is required to have an internal audit function undertaken each year as part of the Financial Memorandum.

**5 HAS AN EQUALITY IMPACT ASSESSMENT BEEN CARRIED OUT**

N/A





# **Glasgow Clyde College**

**Student Support Funds 2019/20**

**Internal Audit Report No: 2020/10**

**Draft issued: 4 November 2020**

**Final issued: 11 November 2020**

Now, for tomorrow



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## Management Summary

### Introduction

Colleges receive **Discretionary Funds** from the Scottish Funding Council (SFC) and the Student Awards Agency for Scotland (SAAS) to provide financial help for students where access to, or continuance in, further or higher education would otherwise be denied due to financial hardship. The maximum payable from both the Further Education Discretionary Fund and the Higher Education Discretionary Fund is normally £4,000 however this limit was relaxed for 2019/20 to allow additional support to be given to students financially impacted by COVID-19.

**Childcare Funds** sit alongside the Discretionary Funds to provide assistance with the cost of formal childcare expenses. From academic year 2011/12, childcare funds for higher education students formerly allocated to colleges by SAAS, were transferred to the SFC who now allocates childcare funding direct to colleges for all eligible further and higher education students. No limit is placed on the amounts individuals can access, and colleges have the flexibility to determine award levels themselves. Priority must however be given to lone parents, part-time students and mature students when allocating funds from the Further Education Childcare Fund.

The Discretionary and Childcare Funds must be administered, and payments made, in accordance with SFC and SAAS guidelines.

**Bursary** funds are given to students at the discretion of a college to help maintain that student in their education beyond their compulsory school leaving date. An award can include allowances that cover a student's maintenance, travel and study costs. Colleges can also use bursary funds for allowances to cover costs incurred by a student due to an additional home, their dependants and / or special education needs.

Colleges must apply the terms of the National Policy for Further Education Bursaries, together with applicable legislation and supplementary letters issued by the SFC, when using the funds allocated to them for bursary purposes. The policy sets out the minimum criteria, maximum rates and minimum contribution scales that a college must apply in allocating bursary funds, however, a college may vary the terms of the policy by imposing additional eligibility criteria or conditions. Figures used within the policy to calculate a student's award may be varied, but only in order to reduce the value of an award, although where a college chooses to supplement bursary funds from its own resources it may use the additional resources as it sees fit.

**Education Maintenance Allowances (EMAs)** provide financial support for 16 to 19-year-olds from low income households who are attending non-advanced full-time education at school, college or are home educated. Eligible students receive £30 per week, which is targeted at young people from the lowest income families.

EMAs must be administered, and payments made, in accordance with SFC and Scottish Government guidelines



### Audit Scope

For the 2019/20 academic year three specific fund statements were required for audit:

- Further Education Discretionary Fund, Further and Higher Education Childcare Fund and Bursary Return;
- Higher Education Discretionary and Childcare Fund; and
- Education Maintenance Allowance Return.

### Audit Objectives

The audit objectives were to ensure that:

- The College complies with the terms, conditions and guidance notes issued by SFC, 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 2020, is in agreement with underlying records.

### Audit Approach

The audit approach included:

- Reviewing new guidance from SFC, SAAS and the Scottish Government, including additional guidance issued in response to the COVID-19 pandemic, and identifying internal procedures;
- Agreeing income to letters of award or other supporting documents;
- Reconciling expenditure through the financial ledger to returns, investigating reconciling items;
- Reviewing College analysis spreadsheets for large or unusual items, obtaining explanations where necessary; and
- Carrying out detailed audit testing, on a sample basis, on expenditure from the funds.

Audit guidance issued by the SFC was utilised.

### Action Plan

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

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

<b>Priority 1</b>	Issue subjecting the College to material risk and which requires to be brought to the attention of management and the Audit Committee.
<b>Priority 2</b>	Issue subjecting the College to significant risk and which should be addressed by management.
<b>Priority 3</b>	Matters subjecting the College to minor risk or which, if addressed, will enhance efficiency and effectiveness.



### Findings and Conclusions

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 SAAS enclosing the audited HE Discretionary and Childcare Return we made one observation arising from our audit work. The College has a separate bank account into which the HE Discretionary Funds received from SAAS are paid into however this account is not interest bearing. All payments to students are made from the College's main bank account and funds are transferred between the two accounts as required. The College uses the Government banking service for all of its financial transactions, on instruction from the Scottish Funding Council, and these accounts do not pay interest.

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

#### **Bursary Fund**

We found that two students in our sample of Bursary students tested had been awarded more than what was expected for a Care Experienced student based on the standard allowance of £202.50 per week for 41 weeks (£8,302.50). One had been awarded £8,425.50 and the other £8,542.75 due to errors in the College calculation. We confirmed from review of the FES4 data that no other students received more than £8,302.50.

Another student in our sample had been incorrectly awarded a travel allowance of £594 due to an administrative error. No other errors were found from our testing of travel awards and the Student Funding Manager noted that staff are well aware of the department procedures not to award travel where Disability Living Allowance / Personal Independence Payment is payable.

#### **Recommendation**

**R1** Review the regular checks carried out on Bursary awards and consider what improvements could be made to identify the type of error highlighted in this report.

#### **EMA**

Whilst SFC Bursary guidance has from 2018/19 moved away from requiring colleges to operate a 100% attendance requirement to one of engagement, and SAAS guidance requires attendance to be 'satisfactory', EMA guidance requires students to have 100% attendance before awards are made although allowance is made for authorised absence. The College's Student Attendance Policy makes clear that 100% attendance is required although students are given an 'allowance' of 10 absences from August to December and January to June that can be used where they are unable to attend their timetabled class, and no paperwork (e.g. self-certificate) is required to be provided. Any absence that exceeds the allowance of 10 is counted as unauthorised and the student award is reduced or withdrawn. Whilst the EMA guidance allows some flexibility for colleges to apply their own policy and use their own discretion in determining authorised absences, the guidance does recommend that if a student is absent due to ill health for up to five consecutive working days a letter from the parent / guardian / carer should be submitted to confirm the absence. Beyond the normal five working days a medical certificate should be produced. We discussed with College management in previous years whether the College should give further consideration to the recommendation made in the EMA guidance on self-certificates and reflect this in College policy. Management advised that all students are expected to adhere to the College's attendance guidelines regardless of whether they are entitled to funding or not, which ensures that students are treated fairly and there is no additional requirement for self-certificates to be submitted solely for EMA students. Management reiterated that the EMA Guidance indicates that institutions can apply discretion and should align their attendance with existing policy.

Copies of the fund statements and audit certificates are provided at appendices I to III of this report.



## **Acknowledgements**

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



## Action Plan

Page Ref.	Recommendation	Grade	Management Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date
3	<b>Bursary Fund</b> <b>R1</b> Review the regular checks carried out on Bursary awards and consider what improvements could be made to identify the type of error highlighted in this report.	3	Both errors have occurred as an oversight when assessing awards. New procedures are now in place as follows: <ul style="list-style-type: none"> <li>• The Care Experienced calculation has now been automated, removing the manual assessment used in previous years;</li> <li>• Staff will be reminded of the assessment procedures, highlighting the alternative income that should be taken into account i.e. DLA / PiP; and</li> <li>• The College is exploring further automation to mitigate the risk of this error occurring.</li> </ul>	Yes	Student Funding Manager	December 2020





**Appendix I – Further Education Discretionary Fund,  
Further and Higher Education Childcare  
Fund and Bursary Return and Audit  
Certificate**





## **Appendix II – Higher Education Discretionary and Childcare Fund Return and Audit Certificate**





## **Appendix III – Education Maintenance Allowance Return and Audit Certificate**





## Appendix IV – Updated Action Plan – Student Support Funds 2018/19

Recommendation	Grade	Management Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress at October 2020
<b>Childcare Fund</b>  <b>R1</b> Ensure that appropriate back-up is retained on file to support the amount awarded to students as a result of in-year re-assessments of childcare costs.	<b>3</b>	Most reassessments occur at the end of each teaching blocks. Reminders will be sent to Student Funding staff in November 2019 that re-calculations should be recorded correctly on 'Award Calculation Sheets'.	Y	Student Funding Manager	November 2019	Appropriate back-up was available for awards made to students in our sample for 2019/20. All had received less than their original award as payments had been stopped following the COVID-19 lockdown.  <b>Fully Implemented</b>



## Student Support Funds 2019/20

Recommendation	Grade	Management Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress at October 2020
<b>FE Discretionary Fund</b>  <b>R2</b> The College should ensure that an award letter is issued to students for all awards made from the FE Discretionary Fund.	3	All applicants to the FE Discretionary in session 2019/20 will be issued with a funding award email.	Y	Student Funding Manager	November 2019	<p>No FE Discretionary Fund application was on the system for one student in our sample for 2019/20, there was one for the FE Childcare Fund only. The student had been assessed for childcare, which was provisional on her partners self-employed income, and the award had not been finalised at the point of the COVID-19 lockdown. Following receipt of the income details, an award through the FE Discretionary Fund was deemed the best way to support the student in hardship. The award was based on the previous childcare calculation. This was accepted in the circumstances and applications to the FE Discretionary Fund were available for all other students in our sample.</p> <p><b>Fully Implemented</b></p>
<b>EMA</b>  <b>R3</b> Ensure that a sample of rejected EMA applications are included in the 5% spot-checks undertaken by the College.	3	The first EMA spot-check is scheduled to be carried out in January 2020 and this will include a sample of any rejected EMA applications.	Y	Student Funding Manager	January 2020	<p>College spot-checks for 2019/20 did not include a sample of rejected applications. Management advised that this will be rectified when the next spot-checks are carried out in January 2021</p> <p><b>Little or No Progress Made</b></p> <p><b>Revised completion date:</b> January 2021</p>



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 **mha**  
HENDERSON LOGGIE

[hlca.co.uk](http://hlca.co.uk) | [info@hlca.co.uk](mailto:info@hlca.co.uk)



Our ref: GLAS366/DA/STI/1264904

Your ref:

Scottish Funding Council  
Apex 2  
97 Haymarket Terrace  
Edinburgh  
EH12 5HD

21 October 2020

Dear Sirs

**Glasgow Clyde College**  
**Discretionary Fund, Childcare Fund and Bursary Return 2019/20**

On behalf of our above named client, we attach the audited Discretionary Fund, Childcare Fund and Bursary Return for the academic year 2019/20.

Should you have any queries regarding the attached please do not hesitate to contact us.

Yours faithfully



Stuart Inglis  
Director  
For and on behalf of MHA Henderson Loggie  
Chartered Accountants  
Dundee Office  
[stuart.inglis@hlca.co.uk](mailto:stuart.inglis@hlca.co.uk)

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Registered office is: The Vision Building, 20 Greenmarket, Dundee, DD1 4QB.

All correspondence signed by an individual is signed for and on behalf of Henderson Loggie LLP.

Reference to a 'partner' is to a member of Henderson Loggie LLP

A list of members' names is available for inspection at each of these addresses.





## college=1003453 - Glasgow Clyde College report=Student Support Funding

College Name: Glasgow Clyde College							College Contact: Michael Lang											
College Number: 1003453							Phone Number: 0141 272 3670											
1st August 2019 - 31st July 2020																		
(AAC 1)							(AAC 2)				(AAC 3)							
Bursary Funds Expenditure							Students under 18				Parentally Supported				Self Supporting			
							Headcount		Expenditure (£)		Headcount		Expenditure (£)		Headcount		Expenditure (£)	
Maintenance Costs																		
At Parental Home							0		0		850		2275209		0		0	
Away from Parental Home							4		4621		20		70587		1090		3999117	
Approved Accomodation or Lodgings							0		0		0		0		0		0	
Personal Allowance							0		0		0		0		0		0	
Dependents Allowance							0		0		0		0		0		0	
Study Expenses							491		108605		908		152823		1516		228822	
Travel Expenses							510		192501		693		292856		1315		543104	
Special Educational Needs							35		20662		65		73712		88		66353	
Total Bursary							619		326299		1019		2865035		1651		4836914	
Total Bursary Fund Spend							3276		8028248		[ESF Students to be included in all tables]							
(AAC 1+2+3)																		
Discretionary Fund & Childcare Fund Expenditure																		
							Headcount		Expenditure (£)									
Total FE Discretionary Fund							792		601597									
Total FE Childcare Fund							358		1067061									
Total HE Childcare Fund *							133		386559									
* UHI partner colleges to manually enter data on the CSV version of this report.																		
							Part-time		Full-time									
							Headcount		Expenditure (£)		Headcount		Expenditure (£)					
FE childcare, lone parent							28		78925		59		177651					



**The SAS System**

**14:24 Friday, October 02, 2020**

FE childcare, other	130	328226	144	482259
HE childcare, lone parent	0	0	44	120702
HE childcare, other	0	0	89	265857
We have examined the books and records of the above college and have obtained such explanations and carried out such tests as we consider necessary.				
On the basis of our examination and the explanations given to us, we report that the information set out in these forms is in agreement with the underlying records.				
We also report that in our opinion, the college used these funds in accordance with the Scottish Funding Council conditions.				
We are satisfied that the systems and controls of the administration and disbursement of these funds are adequate. * Delete if not applicable.				
PLEASE RETURN AN ELECTRONIC AND SIGNED PAPER COPY OF THIS FORM TO THE SCOTTISH FUNDING COUNCIL.				
Principals Signature				
				
Auditors Name (in printed capitals) ....MHA HENDERSON LOGGIE.....				
				
Auditors Signature.....				
DIRECTOR				
FOR AND ON BEHALF OF MHA HENDERSON LOGGIE, CHARTERED ACCOUNTANTS				
Date of Signature.....21 OCTOBER 2020.....				
MHA HENDERSON LOGGIE IS A TRADING NAME OF HENDERSON LOGGIE LLP				



Our ref: GLAS366/DA/STI/1264900

Your ref:

Student Awards Agency for Scotland  
Saughton House  
Broomhouse Drive  
Edinburgh  
EH11 3UT

21 October 2020

Dear Sirs

**Glasgow Clyde College**  
**Higher Education Audited Fund Accounts Return 2019/20**

On behalf of our above named client, we attach the audited HE Fund Accounts Return for the academic year 2019/20.

Although we have not raised any reservations in our Auditor's Report we have one observation to make arising from our audit work. The College has a separate bank account into which the HE Discretionary Funds received from SAAS are paid into however this account is not interest bearing. All payments to students are made from the College's main bank account and funds are transferred between the two accounts as required. The College uses the Government banking service for all of its financial transactions, on instruction from the Scottish Funding Council, and these accounts do not pay interest.

Should you have any queries regarding the attached please do not hesitate to contact us.

Yours faithfully



Stuart Inglis  
Director  
For and on behalf of MHA Henderson Loggie  
Chartered Accountants  
Dundee Office  
[stuart.inglis@hlca.co.uk](mailto:stuart.inglis@hlca.co.uk)

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All correspondence signed by an individual is signed for and on behalf of Henderson Loggie LLP.

Reference to a 'partner' is to a member of Henderson Loggie LLP

A list of members' names is available for inspection at each of these addresses.



**AUDITED FUND ACCOUNTS RETURN 2019/20**

**DISCRETIONARY & CHILDCARE FUND**

**Income and Expenditure**

**INSTITUTION**

**Glasgow Clyde College**

**INCOME**

- a Initial allocation received for the academic year 2019/20
- b Supplementary allocation received in March 2020
- c COVID-19 additional support in April 2020
- d Bank interest received in the academic year 2019/20
- e Previous year's short -term loans repaid in the academic year 2019/20
- f **Total funds available for disbursement (a+b+c+d+e)=j**

Undergraduate Discretionary Fund £	Postgraduate Discretionary Fund £	COVID-19 Discretionary Fund £	TOTAL £
284,592.00			284,592.00
9,886.00			9,886.00
		44,993.00	44,993.00
			-
			-
294,478.00	-	44,993.00	339,471.00

*Check*

**EXPENDITURE**

- g Funds disbursed ( =grand total of k from Report on Funds Expenditure)
- h Unspent COVID-19 additional support to be returned to SAAS by 31 October 2020
- i 2019/20 remaining funds to be retained to support academic year 2020/21
- j **Total disbursement of funds (g+h+i)=f**

282,382.73		44,993.00	327,375.73
		-	-
12,095.27			12,095.27
294,478.00	-	44,993.00	339,471.00

**NAME: Jon Vincent**  
**(Principal)**

**SIGNED:**



**DATE: 20 October 2020**

**AUDITOR'S REPORT**

We have examined the books and records of the above institution and have obtained such explanations and carried out such tests as we considered necessary. On the basis of our examination and of the explanations given to us we report that ~~\*(subject to the reservations set out in our letter dated \_\_\_\_\_ which is attached )~~ the information set out above is in agreement with the underlying records and in our opinion is in accordance with the relative statutory requirements. We are satisfied that the systems and controls of the administration and disbursement of these funds are adequate, and that an interest bearing account or accounts was in operation for the Funds which are separate from the Institution's account.

*\* Delete if not applicable*

**APPOINTED AUDITOR:** MHA HENDERSON LOGGIE

**DATE:** 21 OCTOBER 2020



DIRECTOR  
FOR AND ON BEHALF OF MHA HENDERSON LOGGIE, CHARTERED ACCOUNTANTS  
MHA HENDERSON LOGGIE IS A TRADING NAME OF HENDERSON LOGGIE LLP



# AUDITED FUND ACCOUNTS RETURN 2019/20

## Report on Funds Expenditure

INSTITUTION

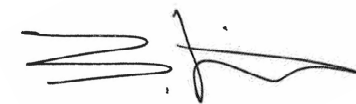
Glasgow Clyde College

	Undergraduate Discretionary Fund		Postgraduate Discretionary Fund		COVID-19 Discretionary Fund	TOTAL
	Full Time	Part Time	Full Time	Part Time		
	£	£	£	£	£	£
a General living expenses	265,433.73				44,993.00	310,426.73
b Travel						-
c Childcare	16,349.00					16,349.00
d Bursary /scholarship						-
e Short-term loans not repaid in the academic year						-
f Disability diagnosis costs						-
g Equipment						-
h Audit	600.00					600.00
i Advertising and publicity						-
j Other administration costs						-
<b>k Total ( = grand total of (g) from the Income &amp; Expenditure accounts return)</b>	<b>282,382.73</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44,993.00</b>	<b>327,375.73</b>

Check

NAME: Jon Vincent  
(Principal)

SIGNED:



DATE:

20-Oct-20



AUDITED FUND ACCOUNTS RETURN 2019/20

Report on Student Numbers

INSTITUTION

Glasgow Clyde College

SUMMARY OF STUDENT NUMBERS

- a Total number of students applying for assistance ( = b+c)
- b Total number of students assisted
- c Total number of students refused assistance ( = a-b)

Undergraduate Discretionary Fund		Postgraduate Discretionary Fund		COVID-19 Discretionary Fund	TOTAL
Full Time	Part Time	Full Time	Part Time		
209				68	277
209				68	277
-				-	-

DETAIL OF STUDENT NUMBERS

- d General living expenses
- e Travel
- f Childcare
- g Bursary /scholarship
- h Short-term loans not repaid in the academic year
- i Disability diagnosis costs
- j Equipment

202				68	270
					-
8					8
					-
					-
					-
					-

SHORT-TERM REPAYABLE LOANS > £500 WRITTEN OFF

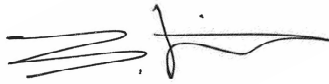
- k Number of short-term loans over £500 written off in the year
- l Monetary value of short-term loans over £500 written off in the year

					-
					-

Check

NAME: Jon Vincent  
(Principal)

SIGNED:



DATE: 20 October 2020

Please note, a student may be assisted in more than one category therefore the total number of students assisted may not equal the sum of students shown in individual categories.



College: Glasgow Clyde  
AY 2019-20

College	Full Time students		Part Time Students						Maintenance	
	No of claims FT	Total maintenance FT	No of claims PT	Total maintenance PT	Total Maintenance	Admin Claim (Jan, Feb, July)	Headcount (Oct)	Notes	College Maintenance Adjustment	SubTotal Maintenance (=G+K)
43678	0	£0	0	£0	£0	£0	0		£0	£0
43709	688	£20,640	0	£0	£20,640	£0	0		£0	£20,640
43739	1,321	£39,630	0	£0	£39,630	£0	382		£0	£39,630
43770	1,291	£38,730	0	£0	£38,730	£0	0		£0	£38,730
43800	1,220	£36,600	0	£0	£36,600	£0	327		£0	£36,600
43831	1,248	£37,440	0	£0	£37,440	£5,175	345		£0	£37,440
43862	1,243	£37,290	0	£0	£37,290	£0	0		£0	£37,290
43891	1,315	£39,450	0	£0	£39,450	£0	£0		£0	£39,450
43922	0	£0	0	£0	£0	£0	0		£0	£0
43952	1,919	£57,570	0	£0	£57,570	£0	0		£0	£57,570
43983	939	£28,170	0	£0	£28,170	£0	£0		£0	£28,170
44013	0	£0	0	£0	£0	£795	0		£0	£0
Totals	11,184	£335,520	0	£0	£335,520	£5,970	1054		£0	£335,520


Principal's declaration

I certify that the funds claimed by this college throughout the academic year, as detailed above, have been used in line with the requirements of the EMA programme.  
I confirm that 5% of applications have been checked for compliance with the programme and are enclosed as evidence in support of this return.

Prinicpal's name (please print)

Jon Vincent

Principal's signature



Date

20-Oct-20

Accruals				Administration			
Accruals Paid	Accruals Recovered	credit / debit	Total EMA Maintenance to be paid	College Admininstratio n Adjustment	Annual Admin payment to be made 2018	Total EMA Admin (=G+Q+R)	Total EMA Spend (=O+T)
				£0	£0	£0	£0
				£0	£0	£0	£20,640
				£0	£0	£0	£39,630
				£0	£0	£0	£38,730
				£0	£0	£0	£36,600
				£0	£0	£5,175	£42,615
£46,000	£0	£0	£83,290	£0	£0	£0	£83,290
£46,000	£39,450	-£6,550	£0	£0	£0	£0	£0
£0	-£6,550	-£6,550	£0	£0	£0	£0	£0
£0	-£6,550	£51,020	£51,020	£0	£0	£0	£51,020
£0	£0	£0	£28,170	£0	£8,000	£8,000	£36,170
£0	£0	£0	£0	£0	£0	£795	£795
			£162,480	£0	£8,000	£13,970	£349,490

Payments made to College				
Month	Adminstration	Maintenance	Total	Balance
43709	£0	£0	£0	£0
43739	£0	£20,430	£20,430	£210
43770	£0	£39,630	£39,630	£0
43800	£0	£38,730	£38,730	£0
43831	£0	£36,600	£36,600	£0
43862	£5,175	£37,440	£42,615	£0
43891	£0	£83,290	£83,290	£0
43922	£0	£0	£0	£0
43952	£0	£0	£0	£0
43983	£0	£51,020	£51,020	£0
44013	£8,000	£28,170	£36,170	£0
44044	£795	£0	£795	£0
	£13,970	£335,310	£349,280	£210



Our ref: GLAS366/DA/STI/1264896

Your ref:

Scottish Funding Council  
Apex 2  
97 Haymarket Terrace  
Edinburgh  
EH12 5HD

21 October 2020

Dear Sirs

**2019/20 Education Maintenance Allowance  
Glasgow Clyde College**

In accordance with the Scottish Funding Council's EMA audit guidance we attach an 'Auditors' Report' in relation to the above College's EMA Academic year-end statement for 2019/20 (copy attached).

Should you have any queries regarding the attached, please do not hesitate to contact us.

Yours faithfully



Stuart Inglis  
Director  
For and on behalf of MHA Henderson Loggie  
Chartered Accountants  
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Registered office is: The Vision Building, 20 Greenmarket, Dundee, DD1 4QB.

All correspondence signed by an individual is signed for and on behalf of Henderson Loggie LLP.

Reference to a 'partner' is to a member of Henderson Loggie LLP

A list of members' names is available for inspection at each of these addresses.



Our ref: GLAS366/DA/STI

Your ref:

Scottish Funding Council  
Apex 2  
97 Haymarket Terrace  
Edinburgh  
EH12 5HD

21 October 2020

Dear Sirs

**Glasgow Clyde College: Education Maintenance Allowance Return  
Auditors' Report to the Scottish Funding Council (SFC) for the period from 1 August 2019 to 31 July 2020**

We have examined the books and records of the above College, including evidence of checks of five per cent of applications and payments, with a sample size appropriate to the size of the institution, and have obtained such explanations and carried out such tests as we considered necessary.

On the basis of our examination and of the explanations given to us, we report that the information set out in these forms is in agreement with the underlying records.

We also report that, in our opinion, the College used these funds in accordance with the SFC's conditions and the principles of the Education Maintenance Allowance programme.

We are satisfied that the systems and controls of the administration and disbursement of these funds are adequate.

Yours faithfully



Stuart Inglis  
Director  
For and on behalf of MHA Henderson Loggie  
Chartered Accountants  
Dundee Office  
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## AUDIT COMMITTEE MEETING

Date of Meeting	23 November 2020
Paper Title	Update on Cyber Resilience
Agenda Item	20.56
Paper Number	20.56
Responsible Officer	Scott Renton, Head of ICT
Status	Disclosable
Action	For Discussion

### 1 REPORT PURPOSE

- 1.1 To provide a report on the College's response to Cyber Resilience and the increased threat during the Covid-19 Pandemic.

### 2 RECOMMENDATION

- 2.1 Members of the Audit Committee are invited to discuss this paper.

### 3 BACKGROUND AND COMMENTARY

#### 3.1 Threat Level

With the reliance on digital online technologies like never before during the ongoing COVID-19 pandemic and home working, new opportunities have arisen for targeted Cyber Crime especially in two key areas. The first is the increased use of RDP (Remote Desktop Protocol) and the second through increased use of phishing email campaigns.

##### 3.1.1 RDP / Multi-Factor Authentication

As a College we had already adapted the way we use the RDP service, which is a method for staff to gain remote access to digital resources that are normally only available inside the College network. This has involved changing the method we used to access the service but also migrating staff to Multi-Factor Authentication. This improves security such that a user account password being compromised would no longer be enough to gain access to our systems. Staff are also aware that the preferred method for remote access is to use the VPN (Virtual Private Network) connection which provides a secure connection and has additional protection through services such as 'Cisco Umbrella', which is a suite of security products.

##### 3.1.2 Ransomware Threat

Ransomware as a threat has also increased during the pandemic, with numerous Colleges and Universities targeted during recent months. Examples include Dundee and Angus College which was offline for many weeks during early 2020 with their server estates badly impacted and having to rebuild multiple systems and services. Ransomware



attacks are most actively instigated through a Phishing email, prompting a user to click on a link or open a file that contains malicious code. We have a number of defences in this area including Mimecast, where all College e-mail flows, which scans and protects us from various threats. No system is able to detect all ransomware attacks, so we continue to educate staff on what to look out for and not to click on random links in emails or attachments.

### 3.2 Backup Routines

During the pandemic we have increased our use of Cloud Backup Storage for critical systems to ensure we have backups stored in multiple locations. We also re-introduced a tape backup solution which, in the event of a wide-spread ransomware attack, is less susceptible to the encryption techniques used to hold data to ransom. The Head of ICT also has an encrypted NAS (Network Attached Storage) device offsite, where critical backups are also held as an additional measure.

### 3.3 Cyber Essentials

We re-certified our Cyber Essentials accreditation at the end of Oct 2020. This was delayed from March due to the lockdown, and then the need to patch and update devices that had been offline in the College for an extended period of time. We are currently progressing the Cyber Essentials Plus accreditation.

#### 5 Key Control Measures (Cyber Essentials)

As part of our Cyber Essentials accreditation, the below key control measures are recommended, and are implemented to a high standard at the College.

- **Boundary firewalls and internet gateways** – good setup of devices to prevent unauthorised access to or from private networks;

The College has Cisco ASA (Adaptive Security Appliance) firewalls at each site with further protection through JISC (Joint Information Systems Committee) who monitor for e.g. DDOS attacks – Distributed Denial of Service attacks.

- **Security Configuration** – systems are configured in a secure way;

We continue to make use of external Penetration testing services on an annual basis to test our security protocols and report any findings that we should address.

- **Access control** – only those who should have access to systems have access, and at the appropriate level;

User accounts are monitored closely and any risks are investigated rigorously by the ICT System engineers. We are able to identify user logins from suspicious locations e.g. outside the UK or from multiple locations simultaneously and these are flagged to us. We also have numerous tools monitoring access to our systems and identifying potential issues.



- **Malware protection** – virus and malware protection is installed and up-to-date; - The College has an enterprise level tool that is deployed to all devices

Glasgow Clyde College has an enterprise level Malware protection suite installed on all devices, with centralised management which is monitored by the ICT Support Team.

- **Patch Management** – the latest supported version of operating system and applications are used and that all necessary patches have been applied.

Cyber Essentials requires us to ensure all devices are patched in a short time frame in response to any identified security risks. We have a rigorous programme to ensure updates for all systems are applied in the appropriate timescales, including our desktop and server estates.

## 4 RISK ANALYSIS

- 4.1 The College is a member of CISO-Share (HEFESTIS) where we regularly analyse current and future risks to the College and opportunities to mitigate. This resource gives us access to a local CISO (Chief Information Security Officer) who provides support, advice and someone who works with other Colleges and Universities so we are able to get a better picture of sector wide issues and threats. It also provides training and practical workshops on best practice with security.
- 4.2 We also have a number of systems that are cloud-hosted including our Finance System, Website, Virtual Learning Environment (Canvas), SharePoint (Intranet site) and make use of OneDrive for document storage which helps to minimise risk.

## 5 LEGAL IMPLICATIONS

- 5.1 There are no specific legal implications of this paper.

## 6 FINANCIAL IMPLICATIONS

- 6.1 Cyber Security is an increased cost to the College both in terms of paid for services such as cloud backups and increased staffing resources to monitor threats.

## 7 REGIONAL OUTCOME AGREEMENT IMPLICATIONS

- 7.1 All Colleges within the Region are required to maintain Cyber Essentials standard

## 8 HAS AN EQUALITY IMPACT ASSESSMENT BEEN CARRIED OUT

8. N/A



## 9.0 Further Information

### Common ransomware infection vectors

**Remote Desktop Protocol (RDP)** is one of the main protocols used for remote desktop sessions, enabling employees to access their office desktop computers or servers from another device over the internet. Insecure RDP configurations are frequently used by ransomware attackers to gain initial access to victims' devices. Often, the attacker has previous knowledge of user credentials, through phishing attacks, from data breaches, and credential harvesting. User credentials have also been discovered through brute force attacks because of ineffective password policies.

**Phishing emails** are exploratory attacks designed to deploy ransomware. These emails encourage users to open a malicious file or click on a malicious link that hosts the malware.

**Vulnerable Software or Hardware:** Unpatched or unsecure devices have commonly been used by ransomware attackers as an easy route into networks

### Reference

Targeted ransomware attacks on the UK education sector by cyber criminals  
<https://www.ncsc.gov.uk/news/alert-targeted-ransomware-attacks-on-uk-education-sector>

### Definitions

(DDoS) A distributed denial-of-service attack occurs when multiple systems flood the bandwidth or resources of a targeted system, usually one or more web servers. A DDoS attack uses more than one unique IP address or machines, often from thousands of hosts infected with malware

(MFA) Multi-factor authentication strengthens security by requiring that users provide at least two pieces of evidence, or authentication factors, to prove their identity. By requiring multiple authentication factors, MFA provides a higher level of assurance about the user's identity. Even if one of the factors has been compromised, the chances that all of the factors have been compromised are low.

(ASA) Cisco Adaptive Security Appliance. A family of network security devices from Cisco that provide firewall, intrusion prevention (IPS) and virtual private network (VPN) capabilities.

(VPN) A virtual private network gives you online privacy and anonymity by creating a private network from a public internet connection. VPNs mask your internet protocol (IP) address so your online actions are virtually untraceable



## **AUDIT COMMITTEE MEETING**

Date of Meeting	23 November 2019
Paper Title	College Assurance Framework Update
Agenda Item	19.57
Paper Number	19.57A
Responsible Officer	Janet Thomson, Vice Principal – Resources and College Development
Status	Disclosable
Action	For Discussion

### **1 REPORT PURPOSE**

- 1.1 This paper provides the updated College Assurance Framework for 2018/19 based on the activity across the College's Committees within the year compared to their remits. It provides a copy of the Committee remits within Appendix 1 and it also provides a template which the College plan to use for Assurance Mapping and following the three lines of assurance model in the Scottish Government of their Audit and Assurance Committee Handbook in Appendix 2.

### **2 RECOMMENDATION**

- 2.1 The Committee are requested to DISCUSS the College Assurance Framework for 2018/19 and the Assurance process going forward.

### **3 BACKGROUND**

- 3.1 The Scottish Government issued an updated Audit and Assurance Committee Handbook in April 2018.

- 3.2 Scott Moncrieff prepared a summary of the main changes to the Audit Committee Handbook and their summary document was submitted to the last Audit Committee. The main areas of change are:

- Audit and Assurance Committees to refresh their remit to comply with the changes – this was done in discussion at the October Committee and members were content with the current remit.
- An Assurance Framework to be developed/updated to consider whether there are any gaps or overlaps in assurances for the Committee – this Assurance Framework was created in November 2018 based on the work of Committees compared to their remits and it is intended to complete Assurance Mapping for the future. In an initial discussion with the Chair of the Audit Committee it is proposed to base this on two on



key documents for the College which are the Financial Memorandum with GCRB and the Certificate of Assurance Checklist which is an annual process the College needs to complete containing fifteen areas of assurance across the College.

- Consider any training for Committee on the new assurance framework and handbook – this will be considered between now and the academic year.

3.3 Following the update to the Scottish Government Audit and Assurance Committee Handbook, the College Assurance Framework is being reviewed and updated to follow the “three lines of defence” model as advocated in the Handbook

- First line: management assurance from “front line” or business operational areas;
- Second line: oversight of management activity, including effective management information, separate from those responsible for delivery, but not independent of the organisation’s management chain; and
- Third line: independent and more objective assurance, including the role of Internal Audit and from external bodies.

3.4 At the October meeting the Committee considered their remit compared to the Model Terms of Reference from the Scottish Government Audit and Assurance Committee Handbook and it was considered that the current remit was appropriate covering the areas as per the Model Terms and contains and with more detail in the College document. The Example Annual Core Work Programme from the handbook was also discussed at the October meeting and it was requested that the Schedule of Work for the Committee should be included with the agendas and this has been done in paper 19.58 on this agenda.

3.5 In the College’s Committee remit it refers to the regular self-evaluation of the Committee and the Self-Assessment Checklist from the Audit and Assurance Committee Handbook which was attached to the October Committee paper will shortly be completed for the Committee.

## **4 RISK ANALYSIS**

4.1 The risk implication is in ensuring compliance with the updated Audit Committee Handbook of the Scottish Government.



**5      LEGAL    IMPLICATIONS/FINANCIAL    IMPLICATIONS/    REGIONAL  
         OUTCOME AGREEMENT IMPLICATIONS**

- 5.1      The College needs to comply with the Audit Committee Handbook as part  
         of its status as a public body.

**6      HAS AN EQUALITY IMPACT ASSESSMENT BEEN CARRIED OUT**

N/A



## Glasgow Clyde College – Audit Committee

## College Assurance Mapping – November 2020

<b>Assurance Mapping against Certificate of Assurance</b>	<b>First Line:</b> <i>Management assurance from 'front line' or business operational areas</i>  <b>(Business Management)</b>	<b>Second Line:</b> <i>Oversight of management activity, including effective management information, separate from those responsible for delivery, but not independent of the organisation's management chain</i> <b>(Corporate Oversight)</b>	<b>Third Line:</b> <i>Independent and more objective assurance, including the role of Internal Audit and from external bodies</i>  <b>(External Assurance)</b>
<b>Certificate of Assurance - Schedule of Required Assurance Areas</b>			
1. Ensure that appropriate financial systems are in place and applied and that procedures and controls are reviewed from time to time to ensure their continuing relevance and reliability, especially at times of major change.	College Financial Policies and Procedures; College Financial Regulations; New policy approvals process	Annual review of finance and procurement procedures by Management  Review of financial regulations by F&R Committee  Assistant Principal: Finance and Infrastructure has oversight	External Auditor
2. Ensure that proper financial procedures are followed and that accounting records are maintained in the form prescribed for published accounts: <ul style="list-style-type: none"> <li>- ensure that the public funds for which you are responsible are properly managed and safeguarded;</li> <li>- ensure that assets for which you are responsible such as land, buildings or other property, including stores and equipment, are controlled and safeguarded;</li> <li>- ensure that the financial implications of any new policies have been considered;</li> <li>- ensure that delegation of responsibility is accompanied by clear lines of control and accountability together with reporting arrangements.</li> </ul>	College Financial Policies and Procedures on Intranet; Financial Regulations; New policy approvals process	Assistant Principal: Finance and Infrastructure and Vice-Principal: Resources and College Development have oversight  Management Accounts presented to Senior Leadership Team/Board of Management	External Auditor and Internal Auditor



<b>Assurance Mapping against Certificate of Assurance</b>	<b>First Line:</b> <i>Management assurance from 'front line' or business operational areas</i>  <b>(Business Management)</b>	<b>Second Line:</b> <i>Oversight of management activity, including effective management information, separate from those responsible for delivery, but not independent of the organisation's management chain</i> <b>(Corporate Oversight)</b>	<b>Third Line:</b> <i>Independent and more objective assurance, including the role of Internal Audit and from external bodies</i>  <b>(External Assurance)</b>
3. Ensure that procurement activity is conducted in accordance with the applicable public sector procurement requirements.	Procurement Procedures; APUC Shared Service provision	Procurement Strategy Procurement Updates to Finance & Resources Committee	Internal/External Auditor; Procurement & Commercial Improvement Programme (PCIP) Assessment
4. Ensure that effective management systems appropriate for the achievement of the body's objectives, including financial monitoring and control systems, have been put in place.	Senior Leadership Team  Credits Monitoring Report; Commercial Updates to Finance & Resources Committee; Staff Costs Monitoring	Finance & Resources Committee; Board of Management	External Auditor
5. Ensure all risks relating to delivering business objectives, regularity, propriety or value for money are identified. In doing this, you have ensured that their significance was assessed and that systems appropriate to the risks are in place in all relevant areas to manage them.	Risk Register; Risk Management Policy; Risk Appetite	Senior Leadership Team; Audit Committee; Board of Management	External Auditor
6. Ensure that arrangements have been made to secure Best Value as set out in the Scottish Public Finance Manual.	APUC; Procurement Policy; Procurement Procedures	Audit Committee; Board of Management	Annual Procurement Benefits Statement PCIP
7. Ensure that managers at all levels have a clear view of their objectives, and the means to assess and measure outputs, outcomes and performance in relation to those objectives.	Individual Staff Members' Annual Personal Development Planning (PDP) Process; College Planning Process; Portfolio Planning & Monitoring	PI Evaluation;	Education Scotland; External Verification; Scottish Funding Council; Internal Auditor
8. Ensure that all managers are assigned well defined responsibilities for making the best use of resources.	Organisational Staff Structure; Job Descriptions; Budget Allocations; Permanent Staff Establishment Lists	Senior Leadership Team Budget Monitoring; Documented Delegated Authority Limits; College Staffing Group; Budget Monitoring; Non-SFC Income Monitoring	Internal/External Auditor; Scottish Funding Council; Glasgow Colleges' Regional Board monthly reporting
9. Ensure that all managers have the information (particularly about costs), training and access to the expert advice which they need to exercise their responsibilities effectively.	Subscription to various organisations to provide external expertise; Induction and internal training	CPD Records; PDP Process; Validation Events; Internal Verification	Internal Audit Plan; External Verification; External Accreditation



<b>Assurance Mapping against Certificate of Assurance</b>	<b>First Line:</b> <i>Management assurance from 'front line' or business operational areas</i>  <b>(Business Management)</b>	<b>Second Line:</b> <i>Oversight of management activity, including effective management information, separate from those responsible for delivery, but not independent of the organisation's management chain</i>  <b>(Corporate Oversight)</b>	<b>Third Line:</b> <i>Independent and more objective assurance, including the role of Internal Audit and from external bodies</i>  <b>(External Assurance)</b>
10. Ensure that the body achieves high standards of regularity and propriety in the consumption of resources. Regularity involves compliance with relevant legislation, relevant guidance issued by the Scottish Ministers – in particular the Scottish Public Finance Manual where it applies to your organisation – and the Financial Memorandum document defining the key roles and responsibilities which underpin the relationship between your organisation and the Scottish Funding Council. Propriety involves respecting the Parliament's intentions and conventions and adhering to values and behaviours appropriate to the public sector.	Financial Sustainability Strategy; Procurement Policy/Procedures; Procurement Strategy; Procurement Strategy Action Plan; Procurement Annual Report; College Financial Regulations; Documented Delegated Authority Limits; Automated Approval and Procurement Checks on all orders above £2k; Declaration of Interest at all Meetings	Finance & Resources Committee Budget Monitoring; Board of Management Code of Conduct and Code of Good Governance; Register of Interest	Internal/External Auditors; PCIP
11. Ensure that you have a well communicated fraud policy, an up-to-date fraud response plan and effective avenues for reporting suspicions of fraud.	Fraud Policy; Fraud Response Plan; Financial Regulations; Whistleblowing Policy	Vice-Principal: Resources and College Development and Assistant Principal: Human Resources have oversight; Named individuals in Fraud Response Plan; Audit Committee/Board of Management	Internal/External Auditor; Scottish Funding Council; Glasgow Colleges' Regional Board
12. Ensure that there are processes in place around compliance with an IT security policy and for dealing with potential breaches.	Network Monitoring Activity Information Security Policy; Internal Procedures; Data Protection Policies/Procedures	Senior Leadership Team; JISC	Cyber Essentials Plus; Annual Network Penetration Testing; Internal Auditor
13. Ensure that appropriate consideration has been given to business continuity planning and disaster recovery for key activities.	Scenario Planning; Annual Penetration Testing;	Simulation Exercise discussed at Senior Leadership Team	Internal Auditor
14. Ensure that you have an up-to-date publication scheme, that it is sufficiently open and proactive in publishing information of interest to your stakeholders.	Publication Scheme reviewed and updated regularly and published on College Website; Annual Accounts	Senior Leadership Team	Scottish Information Commissioner's Office
15. Ensure that you have a people/HR strategy in place and that you measure levels of employee	Staff Surveys; People Strategy;	Senior Leadership Team;	Healthy Working Lives Standard; Internal Auditor



<b>Assurance Mapping against Certificate of Assurance</b>	<b>First Line:</b> <i>Management assurance from 'front line' or business operational areas</i>  <b>(Business Management)</b>	<b>Second Line:</b> <i>Oversight of management activity, including effective management information, separate from those responsible for delivery, but not independent of the organisation's management chain</i> <b>(Corporate Oversight)</b>	<b>Third Line:</b> <i>Independent and more objective assurance, including the role of Internal Audit and from external bodies</i>  <b>(External Assurance)</b>
engagement (e.g. through a staff survey) and take action in response as required.	HR Business Partner Model; Trade Union Engagement; Staff Voice; Clyde Connects Newsletters; Principal Surgeries; Principal Communications; Healthy Working Lives Group	KPI Reporting - Organisational Development Committee	



<b>Assurance Mapping against Compliance with the Financial Memorandum with GCRB</b>			
1. the requirements of the Scottish Public Finance Manual (SPFM) have been met (except where any special actions or derogations have been agreed with the Scottish Ministers) (Part 3 – para 2)	Procurement Annual Report; Financial Regulations; Documented Delegated Authority Limits; Automated Approval and Procurement Checks on all orders above £2k;	Procurement reports to F&R Committee SLT Certificate of Assurance process	Internal/External Auditor; GCRB/SFC Conditions of Grant SFC Annual Accounts Guidance
2. the SPFM requirement for College to notify SFC (via the GCRB) of any item in the SPFM that requires prior approval from the Scottish Government (Part 3 – para 4)	Documented Delegated Authority Limits.	Delegated Authority Limits document states that any such matters must be reported to AP Finance & Infrastructure who will then inform the EMT and, if agreed, seek approval from GCRB/SFC.	GCRB/SFC approval required.
3. the requirement for overdrafts not to be used as a means of increasing borrowing (Part 3 – para 9)	No College Officer has the authority to arrange an overdraft facility. Bank account balances are reconciled and monitored by the Finance Team on a weekly basis and all payments require dual authorisation.	Any proposal for an overdraft facility would be referred by AP Finance & Infrastructure to the EMT and then GCRB/SFC for prior approval if deemed appropriate.	GCRB/SFC approval required.
4. the requirement to seek SFC's prior written consent (via GCRB) before the College lends any funds or give a guarantee, indemnity or letter of comfort (Part 3 – para 10)	No College officer has the authority to lend funds or give a guarantee, indemnity or letter of comfort.	.Any such proposal would be referred by AP Finance & Infrastructure to the EMT and then GCRB/SFC for prior approval if appropriate.	GCRB/SFC approval required.
5. the Financial Memorandum's requirements relating to contingent liabilities (Part 3 – paras 10 - 12)	In the event of a contingent liability arising, the College must provide assurance that it can be met from within the College's own resource, or that appropriate insurance cover has been arranged.  Note: Para 12 states 'SFC's written consent is not required for such arrangements if the indemnity is of a standard type contained in contracts and agreements for 'day-to-day' procurement of goods and	In the event of a contingent liability arising, the EMT would take appropriate steps to provide assurance in respect of this. Any material contingent liability would require to be disclosed in the College Financial Statements.	Internal/External Auditor; Published Financial Statements



	services in the normal course of business.		
6. the requirement to obtain SFC's prior written approval (via GCRB) before entering into any undertaking to incur any expenditure that falls out-with delegations set out in Appendix A of the Financial Memorandum (Part 3 - para 13)	Documented Delegated Authority Limits.	Delegated Authority Limits document states that any such matters must be reported to AP Finance & Infrastructure who will then inform the EMT and, if agreed, seek approval from GCRB/SFC.	GCRB/SFC approval required.
7. the requirement to obtain SFC approval (via GCRB) before incurring expenditure for any purpose that is, or might be considered, novel, contentious or repercussive or which has or could have significant future cost implications (Part 3 – para 14)	Documented Delegated Authority Limits.	Delegated Authority Limits document states that any such matters must be reported to AP Finance & Infrastructure who will then inform the EMT and, if agreed, seek approval from GCRB/SFC.	GCRB/SFC approval required.
8. the requirement to disclose information about frauds to GCRB (Part 3 – para 16 )	Documented Delegated Authority Limits.	Delegated Authority Limits document states that any such matters must be reported to AP Finance & Infrastructure who will then inform the EMT and GCRB/SFC.	Reporting to GCRB/SFC.
9. the requirement to establish appropriate documented internal delegated authority arrangements consistent with the Delegated Authority section of the SPFM and the Financial Memorandum (Part 3 – para 17)	Documented Delegated Authority Limits. DAL document covers all delegated limits outlined in Appendix A of GCRB Financial Memorandum	DAL document states all such matters must be reported to AP Finance & Infrastructure who will then inform and/or seek approval from the EMT and GCRB/SFC	GCRB/SFC reporting and/or approval required.
10. the requirement that any severance scheme is approved by SFC (via GCRB) (Part 3 – paras 21 -23)	Voluntary Severance Schemes prepared by AP HR/College management in line with SFC guidance.	Voluntary Severance schemes require approval of EMT and College Board of Management.	GCRB/SFC approval required; External Auditor reviews Voluntary Severance scheme and related payments as part of year end audit.
11. the requirement to seek approval in advance by SFC (via GCRB) for any external consultancy contracts with a value of more than £100,000 (Part 3 – para 24)	Documented Delegated Authority Limits.	Delegated Authority Limits document states that any such matters must be reported to AP Finance & Infrastructure . who will then inform the EMT and, if agreed, seek approval from GCRB/SFC.	GCRB/SFC approval required.
12. the requirement to not make any investments of a speculative nature without the prior written approval of SFC (via GCRB) (Part 3 - para 29)	No College Officer has the authority to make any investments of a speculative nature.	Any such proposal would be referred by AP Finance & Infrastructure to the EMT and then GCRB/SFC for prior approval if appropriate.	GCRB/SFC approval required.
13. the requirement for any contract without competition (non-competitive action) to have been approved in advance by SFC (via GCRB) for any amounts over £25,000 (Part 3 - para 31)	Documented Delegated Authority Limits. Procurement procedures and procurement checks on all orders > £2k.	Delegated Authority Limits document states that any such matters must be reported to AP Finance & Infrastructure, who will then inform the EMT and, if agreed, seek approval from GCRB/SFC.	GCRB/SFC approval required.



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## **AUDIT COMMITTEE**

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Date of Meeting	23 November 2020
Paper Title	College Strategic Risk Register
Agenda Item	20.60
Paper Number	20.60A
Responsible Officer	Janet Thomson, Vice Principal Resources and College Development
Status	Disclosable
Action	For Discussion

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### **1 REPORT PURPOSE**

- 1.1 This report considers the College's Strategic Risk Register which is updated regularly and reported to the Board of Management on a quarterly basis.

### **2 RECOMMENDATION**

- 2.1 Committee Members are invited to discuss this paper.

### **3 BACKGROUND**

- 3.1 The College's Strategic Risk Register is attached as at 16<sup>th</sup> November 2020.
- 3.2 The changes since last reported to the Board in October are highlighted in red which include any amendments following the discussion at the last Audit Committee.

### **4 RISK ANALYSIS**

- 4.1 The College Strategic Risk Register is a key part of the College's risk management framework

### **5 LEGAL IMPLICATIONS/FINANCIAL IMPLICATIONS/REGIONAL OUTCOME AGREEMENT IMPLICATIONS**

- 5.1 The College is required to have a risk register as part of the Financial Memorandum and the financial implications are detailed within the financial risks section of the College Strategic Risk Register. The College also submits



its Risk Register to GCRB who review the Risk Registers of the three Glasgow Colleges as well as having their own Risk Register.

**6 HAS AN EQUALITY IMPACT ASSESSMENT BEEN CARRIED OUT?**

6.1 N/A



GLASGOW CLYDE COLLEGE - STRATEGIC RISK REGISTER INCL. COVID 19 IMPACTS								Key of abbreviations : SFC = Scottish Funding Council, GCRB = Glasgow Colleges Regional Board, GCG = Glasgow Colleges Group, SDS = Skills Development Scotland, ESF = European Social Fund, JISC = Joint Information Steering Committee	as at 16th November 2020							
Score Before Mitigating Actions								Score After Mitigating Actions								
Risk Ref	New Risk Description	Risk Category	Link to Strategic Plan Themes	Risk Owner	Probability	Impact	Risk Score	Mitigating Actions	Probability	Impact	Risk Score	Risk Ranking after mitigating actions	Risk Timing - Short / Medium/ Long Term	Risk Score at last report to the Board	Risk Increasing/ Decreasing/ No Change	
Financial Risks																
F1	Failure to achieve surplus targets for commercial activity/Failure to achieve/maintain planned levels of non-SFC income	Financial / COVID impacts	Theme 2 and 5 - Partner of Choice and Financial Resilience through Operational Excellence	Assistant Principal International and Business Development	5	5	25	i) Previous ambitious commercial income/surplus growth plan now in recovery plan stage for 2020/21 and to rebuild for future years by each sector area based on medium and long term impacts following COVID 19 virus. ii) Regular monitoring between Business Development Unit, External Funding Unit and Faculty Management of commercial activity/non-SFC activity and future replacement activity will be identified as far as can be estimated however significant impacts likely through 2020/21 at least. iii) Pipeline of activity being re-established as much as possible based on on line or on site delivery iv) FWDF key element of total activity and <b>expected to increasing</b> based on recent funding announcements v) Greater use of digital marketing to promote course areas as effectively as possible vi) Costing templates completed for all commercial activity. <b>Further monitoring</b> in year staff costs transfers of permanent staff costs ongoing. vii) Increased engagement and marketing effort post COVID to try to maintain as much of business as possible and to open and grow new income streams e.g. for retraining. viii) Spread of activity across a range of activity areas to reduce risk of one large contract failure to overall surplus. ix) Review and develop market opportunities through business development strategy and growing new markets. x) Keep informed of constitutional change implications of Brexit and impact on non-SFC activity for the College. Involvement in College sector Brexit forum. xi) Continued work with key partners to ensure successful projects delivered and funding maintained as much as possible.	5	5	25	<b>F1</b>	<b>Short</b>	25	No change	
F2	Failure to reduce College cost base on managed basis to meet requirements of the three year financial forecast	Financial/ Organisational/ COVID impacts	Theme 5 - Financial Resilience through Operational Excellence	Principal/ Vice Principals	5	5	25	i) Financial plan prepared which shows required cost reductions based on anticipated income reductions due to COVID impacts. ii) Cost reduction plan being implemented which requires reduction in staff levels and significant cuts in non-staff budgets across the College where possible. VS Reductions and academic management restructure now being implemented to later timescales. iii) Process of review of all areas to seek cost reductions, as well as seeking further efficiency through improved business processes. iv) Plan had first staff area change from October 2019 and through use of current VS scheme and <b>variation to scheme</b> with required agreement with GCRB and SFC. v) <b>Application to GCEF for additional funding support from November 2020.</b> vi) Discussion on future potential changes being taken forward including academic management restructure. vii) Zero based budgeting for 19/20 onwards for non-staff costs.	4	5	20	<b>F2</b>	<b>Medium</b>	20	No change	
F3	Failure to achieve contracted overall teaching delivery targets for any key partner (SFC/SDS/ESF)	Financial/ Organisational/ COVID impacts	Theme 2 and 3 - Partner of choice and Unrivalled Student Experience	Vice Principal - Curriculum & External Relations	5	4	20	i) Annually plan and deliver portfolio to required quality standards, ensuring appropriate recruitment, and improved retention of students. ii) Discussions within Glasgow Colleges Group and with other partners to plan curriculum and make changes annually to meet market needs and Government and SFC guidance iii) Focused support for students to deliver student experience and to ensure stated teaching activity targets are met. iv) Closely monitor tuition fees income to assess potential post COVID impacts on income v) Work closely with relevant partners to ensure programmes implemented as planned vi) Aim to ensure annually all relevant agency (e.g. SDS) milestones and documentation requirements achieved <del>however now has COVID impacts due to shutdown</del> . vii) College undertake effective competitor analysis, clear branding and focused marketing to maintain effective student recruitment. Again significant COVID impacts on ongoing basis.	4	4	16	<b>F3</b>	<b>Short</b>	16	No change	
F4	Failure to be able to fund the proposed VS scheme	Financial/ Organisational	Theme 5 - Financial Resilience through Operational Excellence	Principal/ Vice Principals	4	5	20	i) Financial plan prepared and FFR which show recovery after VS scheme and financial sustainability plan implemented ii) Discussions within Glasgow Colleges Regional Board iii) Cost reduction plan being implemented which requires reduction in staff levels and significant cuts in non-staff budgets across the College where possible iv) If VS scheme not able to be achieved will have to move to compulsory redundancy action v) Ensure stated teaching activity targets are met re SFC requirements.	3	5	15	<b>F4</b>	<b>Medium</b>	15	No change	
F5	Adverse Funding changes in 2020/21(SFC/SDS/ESF)	Financial / COVID Impacts	Theme 5 - Financial Resilience through Operational Excellence	Principal/ Vice Principals	4	5	20	i) Financial plans developed by College Senior Leadership and monitored within framework of available activity through Glasgow Regional funding for teaching, student support funds and capital. Portfolio planning key element of cost base and monitored on ongoing basis. Portfolio for 2020/21 being monitored with on line activity where possible. ii) Continue to aim to inform and influence funding allocations through Principals' Forum, Glasgow Colleges Regional Board, MSPs, and other appropriate bodies. SFC funding allocation for 2020/21 confirmed. iii) Work with Colleges Scotland and Scotland's Colleges Partnership on lobbying regarding impact on ESF funding and development of future alternative resources. Closely monitor ESF delivery levels and suitable record keeping. iv) Projects progressed to address priority items as per College Capital masterplan based on affordability and potential for applications to Glasgow Clyde Education Foundation v) College working to achieve Flexible Workforce Development Fund target levels however this was impacted by COVID 19 arrangements and number of the related areas now moved to on line delivery.	3	4	12	<b>F5</b>	<b>Short</b>	12	No change	



GLASGOW CLYDE COLLEGE - STRATEGIC RISK REGISTER INCL. COVID 19 IMPACTS								Key of abbreviations : SFC = Scottish Funding Council, GCRB = Glasgow Colleges Regional Board, GCG = Glasgow Colleges Group, SDS = Skills Development Scotland, ESF = European Social Fund, JISC = Joint Information Steering Committee	as at 16th November 2020								
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Organisational Risks																	
O1	Failure of College operational processes/ systems /ICT infrastructure including risk of cyber attack or fraud	Organisational/ COVID impacts	Theme 5 - Financial Resilience through Operational Excellence	Vice Principal Resources & College Development & Vice Principal- Curriculum & External Relations		4	5	20 i) Monitoring systems in place across College and feedback from relevant staff. Any issues addressed as necessary and action taken. Need to ensure key systems not impacted by financially challenging budget in 2019/20. Many systems cloud based and using remote desktop for staff to access files while home working. Delivered laptops and wireless devices to staff and students who need them during shutdown period. ii) Business system improvement process in place iii) Infrastructure designed not to have single points of failure with all campuses operating a sophisticated dual-core network topology. iv) Virtualisation infrastructure which improves server resilience with two main data centres at different campuses. v) Member of JISC Information Security service which provides support to secure against cyber attack and regular ICT network penetration testing undertaken. vi) ICT backup procedures and Disaster Recovery planning. <del>Penetration testing exercise-completed.</del> Cyber essentials plus status achieved. vii) Web filtering technology in place and uninterruptable power supply in place. viii) Fraud response plan in place		4	4	16	O1	Medium	16	No Change	
O2	Failure in any area of College data management processes	Organisational/ Reputational/ COVID impacts	Theme 5 - Financial Resilience through Operational Excellence	Vice Principal Resources & College Development & Vice Principal- Curriculum & External Relations		4	5	20 i) Ongoing monitoring by ICT of any potential systems being targeted ii) ICT backup procedures and Disaster Recovery planning iii) Data protection officer in place who has set up processes for the College for any potential data breaches. iv) Document retention scheme in place for all key record types v) Member of JISC Information Security service which provides information on data management and any sectoral updates. vi) ICT backup procedures and Disaster Recovery planning. Penetration testing exercise completed. Cyber essentials plus status achieved. vii) Web filtering technology in place viii) Homeworking guidance in place for staff		4	4	16	O2	Medium	16	No change	
O3	Failure to achieve acceptably high standard quality of teaching delivery and support for students and suitable student experience	Organisational/ Financial/ COVID impacts	Theme 1 & 3 - Inspirational Learning & Teaching & Univalled Student Experience	Vice Principal - Curriculum & External Relations		5	5	25 i) Monitor of teaching KPIs across all subject areas and action taken to address areas of concern. ii) Quality mechanisms undertaken through annual cycle including self evaluation and internal and external verification processes. <del>Lots of activity has been undertaken by quality with course-teams on new arrangements for assessment during College closure-</del> iii) Heads of Curriculum and Unit Managers monitor quality and delivery of service during year and follow up on any issues. College staff training programme and E learning team support staff in new blended learning needs and updating course materials. iv) Faculty staff work with students association, class reps and student feedback mechanisms to monitor feedback on quality and follow up on any issues v) Deployment of digital resources to areas of need to assist in delivering blended learning approaches as well as the enhanced use of the VLE vi) Development of classroom observation protocol as intimated in national bargaining vii) Make efficiencies in business processes to deliver quality of services viii) Monitor feedback from student focus groups on student experience ix) Enhance the monitoring of a range of KPI data on an ongoing basis to quickly identify any emerging negative trends in student performance.		4	4	16	O3	Medium	16	No change	
O4	Negative impact on employee relations (e.g. national bargaining, industrial action, local consultation)	Organisational / Reputational	Theme 4 - Employer of Choice	Principal/ Assistant Principal HR		4	5	20 i) Focussed work with Trade Unions, specific and regular meetings with senior management, ensuring good flow of information, and ongoing communications. ii) Regular direct communication with staff e.g. staff briefings, focus groups. iii) COVID 19 related communication sent regularly to all staff from the Principal and union involvement in risk assessment discussions iii) Representation made through Employers Association Group, Colleges Scotland, Principals Forum, and GCRB, within national bargaining process. iv) Emphasis being made nationally on imperative of financial sustainability and affordability issues particularly given increased staffing costs and challenges of the Glasgow Regional context. v) Discussion with unions on impact on College financial sustainability and organisational impacts. vi) Business continuity planning used to ensure all stakeholders appropriately communicated with in any potential industrial action. vii) Ensure transparency of consultation process to maximise opportunities for enhanced communications with Trade Unions		3	5	15	O4	Short	15	No change. Academic management structure timing delayed except for VS leavers.	
O5	High Impact Disaster for College e.g. fire, long term power loss	Organisational/ COVID impacts	Theme 5 - Financial Resilience through Operational Excellence	Vice Principal - Resources & College Development		3	5	15 i) Health and safety risk assessments in place and required testing and audits completed on an annual cycle ii) Business Continuity Plan for College in place. iii) Estates condition survey completed and prioritising projects through estates based on affordability. iv) Business interruption insurance in place <del>however under COVID will need to assess claim-options.</del>		3	4	12	O5	Medium	12	No change	



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O6	Failure to achieve a sustainable fit for purpose College estate	Organisational/ Financial	Theme 1 & 5 - Inspirational Learning & Teaching& Financial Resilience through Operational Excellence	Vice Principal - Resources & College Development	4	4	16	i) Capital masterplan in place and related to estates condition survey <del>which highlighte required investment to maintain College estate</del> . Funding for very high priority items allocated by GCRB to College <del>although there are logistical issues in spending the funds within the timeframe</del> . ii) Work with GCRB and SFC to ensure fully informed of estates requirements. iii) Estates Strategy Review completed iv) Need to plan within very tight resources due to financially challenging budget and items will be repahsed as required. v) Plans being worked on for use of the estates high priority maintenance funding vi) Monitor use of College estate as result of COVID impacts and updated clearing regime in place.	3	3	9	O6	Long	g	No change
O7	Failure to recruit and retain an appropriately skilled and effective workforce	Organisational/ Reputational	Theme 1 & 4 - Inspirational Learning & Teaching & Employer of Choice	Assistant Principal HR	3	5	15	i) Recruitment and retention of staff for a few skills areas remains challenging and College continues to use a range of approaches as appropriate. ii) Maintain open channels of communication with trade unions, college managers and their staff, and effective attendance management process in place. iii) All new staff have an induction process and annual training programme undertaken. iv) Cover arranged as required for absence of key staff members. v) Appropriate CPD provided for staff to meet identified skills gaps vi) Managers work with their staff to consider any enhancements to skillsets and access to training e.g. webinars. General risk across staff in new levels of home working. vi) Need to manage to retain appropriate staff through challenge of restructures	2	4	8	O7	Medium	8	No change



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Governance Risks																
G1	Failure to meet all legislative and regulatory requirements and/or recommended guidance	Governance/ Reputational/ COVID Impacts	Theme 2, 4 & 5 - Partner of choice, Employer of Choice, & Financial Resilience through Operational Excellence	Principal/ Clerk to the Board		4	5	20 i) Work within roles, responsibilities and legal implications of Legislation and associated related guidance. ii) Liaison with and maintaining ongoing dialogue with relevant bodies e.g. SFC, GCRB and Scottish Government. College ensure full knowledge and implementation of legislative, regulatory and guidance requirements including requirements of Financial Memorandum with GCRB. iii) Close involvement in ongoing discussions on COVID 19 implications with SFC and representative forums to contribute towards sector input to seek support for current and future resultant challenges iv) Individual managers required to keep up to date with legislation relating to their areas and implement appropriate controls v) Ensure Board have appropriate training on key guidance and legislation and take proactive role in ensuring meet all requirements. vi) Modern Slavery statement in place vii) Quality audit process in place and new-DELTA project delivering greater levels of blended learning with staff viii) Seek legal advice as required. ix) Data Protection Officer in place to advise on General Data Protection Regulation/ Data Protection matters.		3	4	12	G1	Medium	12	No change
G2	Failure to comply with Health and Safety and Safeguarding requirements	Organisational/ COVID Impacts	Theme 1 & 5 - Inspirational Learning & Teaching& Financial Resilience through Operational Excellence	Assistant Principal HR		3	5	15 i) Glasgow Clyde College Health and Safety and Safeguarding Committee and Campus Forums meet regularly to monitor health and safety arrangements and any issues are raised. ii) Safeguarding officers and safeguarding forum on each campus iii) Project Board and working groups ongoing for post-COVID related operating arrangements discussed at SLT iv) Health and Safety Officers working across the three campuses and ensure annual cycle of health and safety audits are completed v) Regular reporting on Health and Safety to Organisational Development Committee as part of their remit requirements vi) Full review of Health and Safety Policy and Procedures being undertaken		3	4	12	G2	Short	12	No change
G3	Failure to recruit, train and retain an appropriately experienced Board of Management	Governance	Theme 1, 2, 3, 4 & 5 - inspirational Learning & Teaching, Partner of Choice, Unrivalled Student Experience, Employer of Choice, & Financial Resilience through Operational Excellence	Clerk to the Board		3	4	12 i) Continue to maintain membership of Board of Management at suitable level with the correct level and mix of skills. Succession planning taking place with the Nominations Committee considering future vacancies well in advance. ii) Annual self assessment for Board members and training provided as required. iii) Board effectiveness review completed and being updated iv) Induction provided for all new Board members. v) Ensure Board undertake an ongoing programme of training to meet CPD needs. vi) Board member handbook in place and an annual review/update to be undertaken.		2	3	6	G3	Medium	6	No change



## Glasgow Clyde College Audit Committee Schedule of Work 2020/21

### Four meetings in each annual academic session

<b>23 November 2020</b>
<b>For Discussion / Decision</b>
Audit Committee Schedule of Work
Report on Going Concern
Draft Annual Financial Statements for year ending 31 July 2020
External Audit Annual Report for year ending 31 July 2020
Final Internal Audit Annual Report 2019/20
College Assurance Framework Update
Draft Annual Report from Audit Committee to Board of Management
Student Activity Data Audit Annual Report 2019/20
Student Support Funds Audit Annual Report 2019/20
<b>For Information/ Noting</b>
Internal and External Audit Rolling Action Plan
Strathclyde Pension Fund Actuarial Valuation Report – Accounting Assumptions
College Strategic Risk Register
Private meeting with internal and external auditors
Updates from SFC ( if available)
<b>3<sup>rd</sup> March 2021</b>
<b>For Discussion/ Decision</b>
Audit Committee Schedule of Work
Internal Audit Reports as per Plan
Internal Audit 2020/21 Plan Progress
College Strategic Risk Register
<b>For Information/Noting</b>
Internal & External Audit Rolling Action Plan
Updates from SFC ( if available)
<b>26<sup>th</sup> May 2021</b>
<b>For Discussion/Decision</b>
Audit Committee Schedule of Work
Internal Audit Reports – as per Plan
Internal Audit Plan 2020/21 Plan Progress and Plan for 2021/22
External Audit Planning Memorandum for 2020/21
Certificate of Assurance
College Strategic Risk Register
College Assurance Framework
Approval of Accounting Policies
<b>For Information/Noting</b>
Internal & External Audit Rolling Action Plan
Updates from SFC ( if available)







**From:** John Gilchrist <jgilchrist@audit-scotland.gov.uk>  
**Sent:** 12 October 2020 10:27  
**To:** Tracy Elliott <telliott@glasgowclyde.ac.uk>  
**Subject:** Confirmation of 1 year extension to audit appointments

Dear Ms Elliott,

Covid-19 has resulted in significant disruption for public bodies and to auditors of the public sector.

Due to this, the Auditor General for Scotland and the Accounts Commission for Scotland announced on 10 June an intention to extend the current audit appointments by one year in the first instance. The Auditor General has now confirmed the one year extension.

These appointments were for the audit of public bodies for the financial years 2016/17 to 2020/21 inclusive. The extension would be through to the audit of the 2021/22 year so Azets Audit Services will remain your auditor for Glasgow Clyde College throughout this period. The current Code of Audit Practice, which was due to be renewed later this year, will apply to the extended appointments.

Following our public consultation on the new draft Code, we will engage further with stakeholders on aspects of the draft Code later this year. We aim to finalise the new Code in early 2021.

These are challenging times for public bodies and auditors. By extending the current audit appointments, we can safeguard the high quality of public audit and continue providing the people of Scotland with assurance about how public money is being spent.

Regards,



Associate Director, Audit quality and appointments