

AUDIT COMMITTEE

Wednesday 26 May 2021 at 4.30pm

The twenty ninth meeting of the Audit Committee will be held on Wednesday 26th May 2021 at 4.30pm. The Meeting will be conducted remotely due to COVID-19 restrictions.

A G E N D A

- | | | | |
|--------------|---------------------------|--|--------|
| 21.11 | Welcome and Apologies | | D Watt |
| 21.12 | Declarations of Interests | | D Watt |

Minutes of Previous Meeting

- | | | | |
|--------------|---|---|--------|
| 21.13 | Draft Minute of the Audit Committee of 3 March 2021 | P | D Watt |
| 21.14 | Matters Arising – Action Grid | P | D Watt |

Items for Discussion/Decision

- | | | | |
|--------------|---|---|----------------------|
| 21.15 | Audit Committee Schedule of Work | P | C McConnell |
| 21.16 | Internal Audit Reports <ul style="list-style-type: none"> • Delivery of Efficiency Savings Plan • Risk Management/ Business Continuity • Digital/ IT Strategy Implementation | P | Henderson Loggie |
| 21.17 | Update on Action from Fraud and Bribery Prevention, Detection and Response Report <ul style="list-style-type: none"> • Unethical Behaviour and Whistleblowing Procedure | P | C McConnell |
| 21.18 | Internal Audit Plan 2020/21 Progress | P | Henderson Loggie |
| 21.19 | External Audit Planning Memorandum for 2020-21 | P | Azets Audit Services |
| 21.20 | Fraud Response Plan Update | P | J Thomson |
| 21.21 | College Strategic Risk Register (<i>to follow</i>) | P | J Thomson |
| 21.22 | Approval of Accounting Policies | P | T Elliott |
| 21.23 | Data Protection Update (c/f from March) | P | M Wood |
| 21.24 | Cyber Security Update | P | S Renton |

Items for Information/Noting

- | | | | |
|--------------|---|---|-----------|
| 21.25 | Internal and External Audit Rolling Action Plan | P | T Elliott |
| 21.26 | Appointment of Internal Audit Services | P | J Thomson |

Continual Improvement

- | | | | |
|--------------|---|--|--------|
| 21.27 | Equalities Impact Assessment on Decisions Made | | D Watt |
| 21.28 | Review of Papers (including Disclosable status) | | D Watt |
| 21.29 | Any Other Business | | D Watt |

Date of next meeting: 29th September 2021 at 4.30pm

Glasgow Clyde College Audit Committee Schedule of Work 2020/21

Four meetings in each annual academic session

| |
|---|
| 26th May 2021 |
| For Discussion/Decision |
| 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 |
| Data Protection Update |
| Cyber Security Update |
| For Information/Noting |
| Internal & External Audit Rolling Action Plan |
| Updates from SFC (if available) |
| |
| SESSION 2021/22 |
| 29 September 2021 |
| For Discussion / Decision |
| Audit Committee Schedule of Work |
| Internal Audit Reports as per Plan |
| Internal Audit 2019/20 Plan Progress and Plan for 2020/21 |
| College Assurance Framework Update |
| College Strategic Risk Register |
| Fraud Response Plan |
| Approval of Accounting Policies |
| Data Protection Update |
| For Information/ Noting |
| Internal & External Audit Rolling Action Plan |
| Audit Scotland Report : Scotland's Colleges 2020 (as available) |
| Updates from SFC (if available) |
| |
| 24 November 2021 |
| For Discussion / Decision |
| 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 |
| Cyber Security Update |
| For Information/ Noting |
| 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) |
| |
| 2 March 2022 |
| For Discussion/ Decision |
| Audit Committee Schedule of Work |
| Internal Audit Reports as per Plan |
| Internal Audit 2021/22 Plan Progress |
| College Strategic Risk Register |
| Data Protection Update |
| For Information/Noting |
| Internal & External Audit Rolling Action Plan |
| Updates from SFC (if available) |

AUDIT COMMITTEE MEETING

| | |
|---------------------|--|
| Date of Meeting | 26 May 2021 |
| Paper Title | Internal Audit Reports: <ul style="list-style-type: none">• Delivery of Efficiency Savings Plan• Risk Management and Business Continuity Planning• Digital/ IT Strategy Implementation |
| Agenda Item | 21.16 |
| Paper Number | 21.16A, 21.16B, 21.16C |
| Responsible Officer | Henderson Loggie, Internal Auditors |
| Status | Disclosable |
| Action | For Discussion |

1 REPORT PURPOSE

The purpose of this paper is to submit to the Committee, for discussion, the following reports which have been produced by the College's Internal Auditors, Henderson Loggie.

- Delivery of Efficiency Savings Plan
- Risk Management and Business Continuity Planning
- Digital/ IT Strategy Implementation

2 RECOMMENDATION

2.1 Members of the Audit Committee are invited to discuss the attached papers.

3 BACKGROUND

3.1 The Delivery of Efficiency Savings Plan internal audit report concludes that there is a good level of assurance in this area meaning that the system meets control objectives. There are no recommendations in the report.

3.2 The Risk Management and Business Continuity Planning internal audit report concludes that there is a satisfactory level of assurance in this area meaning that the system meets control objectives with some weaknesses present. There are four low priority recommendations in the report.

3.3 The Digital/ IT Strategy Implementation internal audit report concludes that there is a satisfactory level of assurance in this area meaning that the system meets control objectives with some weaknesses present. There is one medium priority recommendation in the report.

4 **RISK ANALYSIS**

4.1 There are no specific risk implications in this paper.

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

5.1 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

Delivery of Efficiency Savings Plan

Internal Audit Report No: 2021/06

Draft issued: 17 May 2021

Final issued: 18 May 2021

LEVEL OF ASSURANCE

Good

Contents

Page No.

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| Section 2 | Main Findings and Action Plan | 4 - 8 |

Level of Assurance

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

Gradings are defined as follows:

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

Action Grades

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

Management Summary

Overall Level of Assurance

| | |
|------|----------------------------------|
| Good | System meets control objectives. |
|------|----------------------------------|

Risk Assessment

This review focused on the controls in place to mitigate the following risks on the Glasgow Clyde College (the college) Strategic Risk Register;

- Financial risk F1 - Failure to achieve surplus targets for commercial activity/Failure to achieve/maintain planned levels of non-SFC income;
- Financial risk F2 - Failure to reduce College cost base on managed basis to meet requirements of the three-year financial forecast;
- Financial risk F4 - Failure to be able to fund the proposed VS scheme;
- Organisational risk O4 - Negative impact on employee relations (e.g. national bargaining, industrial action, local consultation)

Background

As part of the 2020/21 Internal Audit programme for the College we carried out a review of the arrangements for planning and delivering efficiency savings. Our Audit Needs Assessment identified this as an area where risk can arise and where Internal Audit can assist in providing assurances to the Board of Management and College Principal and Chief Executive that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

Scottish Ministers expect every public body to deliver efficiency savings of at least 3% in each year of the spending review and to report publicly on the actions taken and the results achieved. This efficiency programme allows public bodies to demonstrate, where appropriate, how and to what extent they have used efficiencies to protect quality and level of services and maintained outputs and outcomes in the face of budget cuts. Efficiency information is submitted by the College to the Scottish Funding Council (SFC) via the Regional Strategic Body annually.

In addition, as part of the financial plan Colleges are increasingly required to deliver in-year cash releasing savings to realign the cost base to meet financial targets in order to achieve financial sustainability. Therefore, we also examined the College's approach for the identification and delivery of cash releasing savings.

Delivery of Efficiency Savings Plan

Scope, Objectives and Overall Findings

The scope of this audit was to consider the College's approach for identifying, recording and reporting efficiency or cost savings.

The table below notes the objectives for this review and records the results:

| Objective | Findings | | | | Actions already underway |
|--|----------|----------------------------------|---|---|--------------------------|
| The specific objectives of this audit were to obtain reasonable assurance on: | | 1 | 2 | 3 | |
| 1. the definition of what constitutes a saving has been clearly set out | Good | 0 | 0 | 0 | |
| 2. annual efficiency savings targets have been set | Good | 0 | 0 | 0 | ✓ |
| 3. there is a mechanism in place for quantifying and reporting on progress made to achieve the agreed efficiency savings targets | Good | 0 | 0 | 0 | |
| 4. the monitoring of delivery of the annual cash releasing savings required to achieve financial targets is robust; and | Good | 0 | 0 | 0 | |
| 5. the efficiency information submitted to the SFC via the Regional Strategic Body is robust | Good | 0 | 0 | 0 | |
| Overall Level of Assurance | Good | 0 | 0 | 0 | |
| | | System meets control objectives. | | | |

Audit Approach

From discussion with the Principal, Vice Principal, Resources and College Development, Vice Principal, Curriculum and External Relations, Assistant Principal - Finance and Infrastructure, and Assistant Principal, Human Resources, and review of relevant documentation, we considered whether the above objectives had been met.

Summary of Main Findings

Strengths

- In October 2020, a Financial Plan update was presented to the Board of Management by the Assistant Principal - Finance and Infrastructure, which set out the next steps required to move the College to a financially sustainable position;
- As a result of further detailed review the financial forecasts were revisited, and amendments were made to both the expenditure cost base and the estimated non-SFC income figures;
- The revised three-year financial forecast presented to the Board of Management in October 2020 assumed the receipt of up to £1.8M in additional funding from the Glasgow Clyde College Education Foundation (GCEF) in 2020/21 and estimated voluntary severance costs of £900K, resulting in a forecast deficit budget position for 2020/21 of 260K;
- A key component of the successful delivery of the financial plan is the £1.15M cost reduction in the College's staffing budget in 2020/21. The key components of the cost reduction savings are defined as the delivery of a voluntary severance scheme; the implementation of an academic management restructuring; and the progression of a change programme focused on planned developments for support service areas;
- The three-year financial plan sets out clearly the costs associated with the delivery of the voluntary severance (VS) scheme, which has been expanded from academic staff to include support staff, and also sets out the estimated recurring financial savings which this scheme will deliver;
- The final consultation document on the academic management structure was published in January 2021 and set out the proposal for a flatter academic management structure using the national promoted structure job outlines, with the posts of Head of Curriculum and Senior Lecturer being removed from the academic management structure going forward;
- One of the conditions attached to the approval of the Financial Sustainability Funding from GCEF was the introduction of a reporting framework to enable progress to be monitored against the planned change programme within the period covered by the financial bridge. It was agreed that progress reporting would be to the Finance and Resources Committee in the first instance and then to GCEF;
- The College has demonstrated to GCEF that the Phase 1 deliverables have been achieved and as a result the initial tranche of £900K was released in December 2020;
- The latest Financial Sustainability Update was presented to the Board of Management in March 2021 and provided an update on the progress of activity in respect of the College's plans for Financial Sustainability, as included within the three-year financial plan;
- This update was supported by a Phase 2 reporting framework which was considered at the March 2021 meeting of the Finance and Resources Committee pending submission to GCEF;
- There is a shared consensus that the pace of transformational change and the delivery of the Business Transformation Plan should be sustained in order to mitigate the College from the financial pressures which may lie ahead; and
- The delivery against the national savings targets is reported to GCRB as part of the routine annual financial reporting mechanisms, in line with the definitions laid down by Scottish Government.

Weaknesses

- There were no weaknesses arising from the audit fieldwork conducted.

Acknowledgements

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

Main Findings and Action Plan

Objective 1: Annual efficiency savings targets have been set

A Financial Plan update was presented to the Board of Management in October 2020 by the Assistant Principal - Finance and Infrastructure. This presentation set out the next steps required to move the College to a financial sustainable position. The 2020/21 budget position, as set out in the SFC Financial Forecast return, showed a forecast deficit position of £2.681M excluding staff cost reductions. When staff costs reductions of £1.15M were factored into the FFR the forecasted position was a deficit of £1.531M. The year on year required savings included in the FFR was £1.15M for 2020/21, rising to £1.173M in 2021/22 and £1.937M in 2022/23.

As a result of further detailed review the financial forecasts were revisited, and amendments were made to both the expenditure cost base and the estimated non-SFC income figures. This resulted in an underlying financial position for 2020/21, excluding staff restructuring, of £1.16M deficit. The revised three-year financial forecast presented to the Board of Management in October 2020 assumed the receipt of up to £1.8M in additional funding from the Glasgow Clyde College Education Foundation (GCEF) in 2020/21 and estimated voluntary severance costs of £900K, resulting in a forecast deficit budget position for 2020/21 of 260K. The forecast position for 2021/22 estimated the receipt of up to £500K from GCEF in year, with £540K in voluntary severance costs, resulting in a forecast budgeted surplus position of £388K in 2021/22.

Work is ongoing to build a baseline budget for 2021/22. This will then be rolled forward into an updated three year and five year financial plans.

Delivery of Efficiency Savings Plan

Objective 2: The definition of what constitutes a saving has been clearly set out

The bid for Financial Sustainability Funding from Glasgow Clyde College Education Foundation (GCEF), described under Objective 1 above, was approved in December 2020.

The Financial Sustainability Funding is designed to provide match funding to create a financial bridge to enable the College to “*sustain a range of key College services to enhance the student experience through a process of change and modernisation to meet changing student demands and the needs of learning and teaching with a greater focus on on-line and blended requirements and digital student related services*”. There was a shared recognition between the College senior management, the Board of Management and GCEF, that the receipt of this match funding was necessary in order to avoid an “*unacceptable reduction in services and developments for students, adversely affecting their learning experience*”. Therefore, the receipt of the Financial Sustainability Funding from GCEF is pivotal to the delivery of the College's three-year financial plan and the achievement of future financial sustainability.

As highlighted under objective 1, above, a key component of the successful delivery of the financial plan is the £1.15M cost reduction in the College's staffing budget in 2020/21. The key components of the cost reduction savings are defined as the delivery of a voluntary severance scheme; the implementation of an academic management restructuring; and the progression of a change programme focused on planned developments for support service areas.

The initial consultation paper on changes to the academic management structure was published in November 2019, with Phase 2 of the consultation paper published in February 2020. Following delays caused by the COVID-19 pandemic the final consultation document on the academic management structure was published in January 2021 and set out the proposal for a flatter academic management structure using the national promoted structure job outlines, with the posts of Head of Curriculum and Senior Lecturer being removed from the academic management structure going forward.

The three-year financial plan sets out clearly the costs associated with the delivery of the voluntary severance (VS) scheme, which includes both academic staff and support staff, and also sets out the estimated recurring financial savings which this scheme will deliver. The revised VS scheme was approved by the College Remuneration Committee in October 2020, by the Nomination and Remuneration Committee of GCRB in December 2020; and by the Scottish Funding Council (SFC) in January 2021.

The focus for the transformational change programme to date has been around investment in IT infrastructure, such as the investment in iTrent to improve the efficiency of processing and the potential to introduce web-based recruitment to drive operational efficiencies. The changes to working practices driven by the COVID-19 pandemic, and the associated move to online learning, have identified opportunities for the introduction of different delivery models which may deliver cash releasing savings going forward.

Delivery of Efficiency Savings Plan

Objective 3: There is a mechanism in place for quantifying and reporting on progress made to achieve the agreed efficiency savings targets

An update on the 2020/21 Financial Position, the Financial Report to October 2020, and the Forecast Outturn was presented to the Board of Management in December 2020.

One of the conditions attached to the approval of the Financial Sustainability Funding from GCEF was the introduction of a reporting framework to enable progress to be monitored against the planned change programme within the period covered by the financial bridge. It was agreed that progress reporting would be to the Finance and Resources Committee in the first instance and then to GCEF. The GCEF Phase 1 conditions attached to the Financial Sustainability Funding required Board approval of the plan to achieve financial sustainability through reducing recurrent staff costs by over £1.1M by the end of academic session 2020/21; to agree the GCEF funding of the College financial sustainability proposal; and for the College to implement a change and modernisation programme to enable the agreed three-year financial plan to be achieved. The College have demonstrated to GCEF that these deliverables have been made and that Phase 1 has now been achieved and as a result the initial tranche of £900K was released in December 2020.

The latest Financial Sustainability Update was presented to the Board of Management in March 2021 and provided an update on the progress of activity in respect of the College's plans for Financial Sustainability, as included within the three-year financial plan. This update was supported by a Phase 2 reporting framework which was considered at the March 2021 meeting of the Finance and Resources Committee pending submission to GCEF. This reporting framework covers the following four agreed areas to be reported upon:

- progress against achievement of planned £260K deficit budget target for 2020/21
- progress against £1.15M staff cost reduction target
- planned developments for the support services areas within the change programme
- update on consultation with unions and staff on change process

Delivery of Efficiency Savings Plan

Objective 4: The monitoring of delivery of the annual cash releasing savings required to achieve financial targets is robust

It is clear from our discussions with management, and through review of documentation, that the voluntary severance scheme has already progressed through three distinct stages, with the deadline for expressing interest in Stage 3 ending on 12 April 2021. The approved scheme provides the College with flexibility to run further stages up until 31 December 2021, in order to deliver the recurring savings required, whilst meeting the approved criteria of the scheme. Every member of staff who submitted an enquiry on voluntary severance received a quotation. This involves discussion with line management and trade unions before formal reports are prepared for the Executive Management Team which set out the proposed decision and quantifies both the cost and the recurring savings which will accrue should the application for VS be granted. Therefore, the volume of work which this has generated for HR staff has been significant.

The picture around the level of savings which will accrue from the academic restructuring programme is less clear, will depend on the variables associated with the specific staff who apply for the regraded posts and the impact which this will have on the levels of backfill required and also the unknown cost implications for staff who are not successful in securing one of the new posts but who will be entitled to a period of four years conserved salary. It is anticipated that the academic restructuring will be concluded by the end of the current academic year and therefore the picture around the level of recurring savings which will be generated will be much clearer at that point in time.

Work is progressing to examine planned developments for support service areas which will deliver service improvement as well as savings. One of the specific areas which is currently under review is around Non-bursary funded student course expenses. This is captured annually on a cost of course form which is completed for each course. A short life working group has been convened and this Group has already fed back initial thoughts to the Curriculum Assistant Principals (CAPS) Group. Further work to benchmark costs against other colleges is ongoing and a further report will be brought back to the CAPS Group which will set out proposals for changes to the course expenses which will be funded moving forward. This should allow the level of savings to be quantified and factored into the budget for 2021/22.

Other variables which will impact on the financial position of the College, which could therefore influence the timing of transformational change activity, are as follows:

- Changes to the way in which the funding for Foundation Apprenticeships will be drawn down in future;
- Unanticipated Scottish Government funding allocations;
- Unknown funding position from 2022/23 for European Social Fund (ESF);
- Funding associated with deferred students;
- The level of contribution which can be delivered by the College Business Development Team; and
- Funding related to the National Transition Training Fund (NTTP) and the Young Person's Guarantee (YPG).

Delivery of Efficiency Savings Plan

Objective 4: The monitoring of delivery of the annual cash releasing savings required to achieve financial targets is robust (continued)

However, it is apparent from our discussions with members of the EMT that there is a clear recognition that if the current funding model is sustained, and flat cash settlements continue, then the level of pay increases will inevitably create new financial pressures which bring the College back to a position where financial sustainability will be an issue again. Therefore, there is a shared consensus that the pace of transformational change and the delivery of the Business Transformation Plan should be sustained in order to mitigate the College from the financial pressures which may lie ahead. The existing vehicles of the Innovation and Transformation Committee and the Creative Solutions Committee can play a vital role in delivering the business transformation projects at the required pace given the resourcing implications which such activity places on support functions such as Finance, HR and ICT.

Objective 5: The efficiency information submitted to the SFC via the Regional Strategic Body is robust

Given the level of financial sustainability activity ongoing within the College in the current academic year the focus has understandably been directed towards the delivery of the VS Scheme, the academic restructuring and the transformational change projects in support areas. However, the delivery against the national savings targets are reported to GCRB as part of the routine annual financial reporting mechanisms, in line with the definitions laid down by Scottish Government. The level of savings set out within the existing three year financial plan should ensure that the College exceeds the notional national target set and the level of savings projected will represent cash releasing savings, rather than notional savings (such as savings accruing from delays in filling posts or the receipt of funding from arm's length foundations (ALFs) which can be classified as efficiency savings under the current Scottish Government definitions).

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Glasgow Clyde College

Risk Management and Business Continuity Planning

Internal Audit Report No: 2021/07

Draft Issued: 19 May 2021

Final issued: 20 May 2021

LEVEL OF ASSURANCE

Satisfactory

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Level of Assurance

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

Gradings are defined as follows:

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

Action Grades

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

Management Summary

Overall Level of Assurance

Satisfactory

System meets control objectives with some weaknesses present.

Background

As part of the Internal Audit programme at Glasgow Clyde College ('the College') for 2020/21 we carried out a review of the College's risk management arrangements. The Audit Needs Assessment identified this as an area where risk can arise and where Internal Audit can assist in providing assurances to the Board of Management ('the Board') and the Principal that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

The terms of reference for the Audit Committee align responsibility for reviewing the College's risk management arrangements and Risk Management Policy on an annual basis. The Audit Committee has a responsibility to review the College Strategic Risk Register at least twice per year, or as requested by the Chair of the Committee, to ensure that the College's approach to managing risk is appropriate.

Assurances around the College's risk management arrangements are provided as an integral part of the Annual Report by the Audit Committee to the Board of Management, as part of the annual governance processes which feed into the Annual Report and Accounts.

The Board of Management is responsible for the review and effectiveness of the College risk management arrangements and should form its own opinion despite these delegations to the Committee.

Risk Management and Business Continuity Planning

Scope, Objectives and Overall Findings

Risk Management

The scope of this aspect of the audit was to consider whether there were corporate procedures in place to adequately assess risk and minimise the possibility of unexpected and unplanned situations developing, which are in line with good practice.

Business Continuity

We also undertook a review of business continuity planning to consider whether there were adequate plans in place to minimise disruption to operations following loss of life, buildings or equipment. This included a specific focus around the work that has been undertaken to allow College operations to continue during the COVID-19 pandemic.

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

| Objective | Findings | | | | Actions Already planned |
|---|-----------------------|---|---|---|-------------------------------|
| The objectives of the audit were to gain reasonable assurance that: | 1 | 2 | 3 | | |
| | No. of Agreed Actions | | | | |
| Risk Management | | | | | |
| 1. Key risks have been identified and are being appropriately controlled, mitigated, reported, and discussed at appropriate levels of management and the Board of Management. | Satisfactory | 0 | 0 | 1 | ✓ |
| 2. The processes in place reflect good practice in risk management. | Satisfactory | 0 | 0 | 2 | ✓ |
| Business Continuity Planning | | | | | |
| 3. A Business Continuity Plan (BCP) is in place covering all of the College's key activities. | Good | 0 | 0 | 0 | ✓ |
| 4. The BCP is workable, properly communicated to members of staff, and have been adequately tested. | Good | 0 | 0 | 0 | ✓ |
| 5. The processes and procedures in place follow recommended good practice. | Satisfactory | 0 | 0 | 1 | ✓ |
| Overall Level of Assurance | Satisfactory | 0 | 0 | 4 | |
| | | System meets control objectives with some weaknesses present. | | | |

Audit Approach

From discussion with the Chair of the Audit Committee, a member of the Finance and Resources Committee, the Principal, the Vice Principal, Resources and College Development, the Vice Principal, Curriculum and External Relations, the Head of ICT and review of relevant documentation, we considered whether the above objectives had been met.

Summary of Main Findings

Strengths

- A Risk Management Policy is in place which sets out the responsibilities of the Board, the Audit Committee and senior management around the identification, management and reporting of risks relating to the College;
- There is discussion at every meeting of the Audit Committee around the risks captured on the Strategic Risk Register; the risk scores applied to each risk; and the mitigating actions;
- Each of the risks on the Strategic risk register are aligned to Strategic Plan themes;
- The assurance framework implemented within the College ensures that the financial risks contained on the College Strategic Risk Register are considered regularly by the Finance and Resources Committee;
- Specific reporting around cyber resilience has been presented to the Audit Committee in November 2020;
- The risk appetite of the College was considered by the Board of Management in October 2020;
- A Business Continuity Plan is in place, which is subject to ongoing review by the Senior Leadership Team;
- A business continuity test exercise was undertaken in February 2020, in advance of the COVID-19 pandemic;
- The Principal has provided detailed COVID-19 updates to the Board, which outline the steps taken to ensure business continuity as the government restrictions changed over time;
- Business continuity activity during the COVID-19 pandemic has been guided by the Business Continuity Plan, initially through a separate Project Group (originally with five sub-groups) and latterly through SLT with updates provided by nominated leads; and
- All staff communications from the Principal and meetings with trade unions have highlighted to staff the measures necessary to ensure business continuity during the COVID-19 pandemic and the steps taken to minimise, as far as possible, the impact on the learner experience.

Weaknesses

- The risk appetite set for each of the risk categories does not currently link across to the risk reporting to the Audit Committee;
- There is an opportunity to make the linkages between the Strategic Risk Register and the College's performance against key performance targets more explicit, in order to provide richer management discussions around risk trends;
- The current Audit Committee remit places a clear duty on the Committee to oversee the College's risk management arrangements and to provide assurance on the adequacy of these arrangements annually as an integral part of the Annual Report by the Audit Committee to the Board of Management. However, the risk management section of the recent Audit Committee Annual Reports has not provided explicit assurances on the adequacy of the risk management framework and the way in which the framework has operated during the financial year in question;

Summary of Main Findings

Weaknesses (Continued)

- The risk appetite is currently refreshed every two years but going forward there is an opportunity to sense check the risk appetite, and report on this to the Board, as part of the Annual Report from the Audit Committee;
- From our review of the Business Continuity Plan we are comfortable that there are no material gaps in the arrangements in comparison with ISO 22301 and ISO 22313 with the exception of the new duties introduced by ISO 22301 around the setting of measurable objectives and performance evaluation.

Acknowledgements

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



Action Plan

Objective 1: Key risks have been identified and are being appropriately controlled, mitigated, reported and discussed at appropriate levels of management and the Board of Management.

A Risk Management Policy is in place, which sets out the responsibilities of the Board, the Audit Committee and senior management around the identification, management and reporting of risks relating to the College.

Executive responsibility for maintaining the Strategic Risk Register rests with the Vice Principal, Resources and College Development with ultimate responsibility for maintaining effective risk management arrangements resting with the Principal. The Strategic Risk Register is subject to formal review throughout the year by the Senior Leadership Team (SLT), Executive Management Team (EMT), the Audit Committee and the Board of Management.

The register provides the gross and net risk score for each risk identified (before and after mitigating actions) and is scored on a traditional 5 by 5 grid which assesses likelihood and impact. Risks are grouped under three headings: Financial, Organisational and Governance risks.

There is discussion at the Audit Committee around the risks captured on the Strategic Risk Register; the risk scores applied to each risk; and the mitigating actions. A covering report is provided which highlights changes made since the previous iteration, which are highlighted in red on the face of the risk register. In discussion with the Vice Principal, Resources and College Development it was agreed that, on occasion, further detail within the covering report, on the rationale for the changes made, would be helpful in generating discussion at the meetings. The assurance framework implemented within the College ensures that the financial risks contained on the College Strategic Risk Register are considered regularly by the Finance and Resources Committee. This provides an opportunity for the Chair of the Finance and Resources Committee to update the Board on how key financial risks identified are being managed throughout the year.

Where deemed appropriate specific arrangements are put in place to manage new or changing risks. For example, a paper was presented to the November 2020 meeting of the Audit Committee around cyber risks to provide assurance to Board members on the steps being taken by the College to address emerging risks in this area. In addition, there is a specific IT risk register in place and this is supplemented by specific risk management arrangements for individual developmental digital projects. There is currently no appetite within SLT to create a uniform operational risk register structure across the organisation. However, it is clear from our discussions with management that the consideration of cross cutting risks is an integral part of the Curriculum Assistant Principals (CAPS) Group, which allows issues such as data protection and health and safety to be examined through a learner-focused lens, although in most cases these discussions will not be badged up as "risk management" per se.

Risk Management and Business Continuity Planning

Objective 1: Key risks have been identified and are being appropriately controlled, mitigated, reported and discussed at appropriate levels of management and the Board of Management. (Continued)

| Observation | Risk | Recommendation | Management Response |
|--|---|--|---|
| The Strategic Risk Register is currently presented for discussion at each meeting of the Audit Committee, but the risk appetite set for each of the risk categories does not currently link across to the risk reporting to the Audit Committee. | Board Members may not be aware of those risks which are above the agreed risk appetite level. | R1 The Strategic Risk Register should include information on any risks which are above the risk appetite level set and describe the actions proposed to bring the risk level to within the appetite levels. | <p>The Risk Register will be reviewed to consider how to link to the risk appetite for risk categories.</p> <p>To be actioned by: Vice Principal, Resources and College Development</p> <p>No later than: 30 September 2021</p> |
| | | | <p>Grade 3</p> |

Risk Management and Business Continuity Planning

Objective 2: The processes in place reflect good practice in risk management.

Although risks are currently aligned to specific leadership team risk owners, the direction of travel envisaged for risk management will involve the creation of three new groups (for each of the risk categories) which will include relevant managers below SLT level who are more closely involved in maintaining controls and taking forward mitigating actions. It is anticipated that these groups will meet regularly in their infancy but will then progress to a longer cycle.

Each of the risks on the Strategic Risk Register are aligned to Strategic Plan themes, although our discussions with senior management highlighted the work which is required to finalise the alignment of strategic risks to the strategic objective priorities contained in the new Strategic Plan (which was developed in 2020 but has not yet been formally launched due to the impact of the COVID-19 pandemic).

The Board last considered the risk appetite of the College in October 2020.

Risk Management and Business Continuity Planning

| Objective 2: The processes in place reflect good practice in risk management. (Continued) | | | |
|---|--|---|--|
| Observation | Risk | Recommendation | Management Response |
| There is an opportunity to make the linkages between the Strategic Risk Register and the College's performance against key performance targets more explicit, in order to provide richer management discussions around risk trends. | There may be a disconnect between performance trends and risk trends reported to SLT, EMT and Committee. | R2 An exercise should be conducted to examine the way in which specific key performance indicators can be linked to the Strategic Risk Register, in order to provide improved information on performance trends which may indicate that a risk is crystallising. | Agreed To be actioned by: Executive Management Team No later than: 30 September 2021 |
| | | | Grade 3 |

Risk Management and Business Continuity Planning

Objective 2: The processes in place reflect good practice in risk management. (Continued)

| Observation | Risk | Recommendation | Management Response |
|--|---|---|--|
| <p>The current Audit Committee remit places a clear duty on the Committee to oversee the College's risk management arrangements and to provide assurance on the adequacy of these arrangements annually as an integral part of the Annual Report by the Audit Committee to the Board of Management. However, the risk management section of the recent Audit Committee Annual Reports has not provided explicit assurances on the adequacy of the risk management framework and the way in which the framework has operated during the financial year in question;</p> <p>The risk appetite is currently refreshed every two years but going forward there is an opportunity to sense check the risk appetite, and report on this to the Board, as part of the Annual Report from the Audit Committee.</p> | <p>The annual assurances required by the Board to discharge responsibilities around risk management may not be clearly articulated.</p> | <p>R3 The risk management section of the Annual Report from the Audit Committee should be expanded to provide assurances around the college's risk management arrangements and the way that these have operated throughout the year and this should involve a sense-checking of the continued applicability of the most recent risk appetite set by the Board.</p> | <p>The Annual Report from the Audit Committee to the Board of Management will be updated to expand the risk management section and to include reference to the Risk Appetite</p> <p>To be actioned by: Vice Principal, Resources and College Development</p> <p>No later than: 30 October 2021</p> |
| | | | <p>Grade 3</p> |

Risk Management and Business Continuity Planning

Objective 3: A Business Continuity Plan (BCP) is in place covering all of the College's key activities

A Business Continuity Plan is in place, which is subject to ongoing review by the Senior Leadership Team. Although the fundamental objectives of the College remain unchanged, there is a recognition amongst the members of SLT, that future work will be required to revisit the BCP to reflect changes made to the College's delivery model arising from the impact on both learning and teaching and support functions of the COVID-19 pandemic. We have been advised that a review of the BCP will be conducted by SLT in August 2021.

Objective 4: The BCP is workable, properly communicated to members of staff, and have been adequately tested

A business continuity test exercise was undertaken in February 2020, in advance of the COVID-19 pandemic. This included all of the named BCP leads and their deputies. The BCP sets out the approach which will be taken in the Emergency response, Crisis Management, and Business Recovery phases of any incident. This includes a detailed definition of the types of incident which would invoke the BCP. This document also sets out clear ground-rules around both internal and external communication.

The Principal has provided detailed COVID-19 updates to the Board, which outline the steps taken to ensure business continuity as the government restrictions changed over time;

Business continuity activity during the COVID-19 pandemic has been guided by the Business Continuity Plan, initially through a separate Project Group (originally with five sub-groups) and latterly through SLT with updates provided by nominated leads; and

All staff communications from the Principal, and meetings with trade unions, have highlighted to staff and students the measures necessary to ensure business continuity during the COVID-19 pandemic and the steps taken to minimise, as far as possible, the impact on the learner experience.

Risk Management and Business Continuity Planning

Objective 5: the processes and procedures in place follow recommended good practice.

The Business Continuity Plan generally accords with the principles set out in BS 25999 - Business Continuity. BS 25999 was a Business Continuity Management (BCM) standard published by the British Standards Institution (BSI) which contained two parts;

Part 1, "BS 25999-1:2006 Business Continuity Management. Code of Practice", took the form of general guidance on the processes, principles and terminology recommended for BCM; and

Part 2, "BS 25999-2:2007 Specification for Business Continuity Management", specified a set of requirements for implementing, operating and improving a BCM System (BCMS).

The first part of BS 25999 (BS 25999-1:2006) was published by the British Standards Institution in December 2006. The second part of BS 25999 (BS 25999-2:2007) was published in November 2007. BS 25999-2 was withdrawn in November 2012 having been replaced by the International Standard, ISO 22301. BS 25999-1 was withdrawn in early 2013 having been replaced by ISO 22313. However, from our review of the Business Continuity Plan we are comfortable that there are no material gaps in the arrangements in comparison with ISO 22301 and ISO 22313 with the exception of the new duties introduced by ISO 22301 around the setting of measurable objectives and performance evaluation.

Risk Management and Business Continuity Planning

Objective 5: The processes and procedures in place follow recommended good practice (Continued)

| Observation | Risk | Recommendation | Management Response |
|---|---|---|--|
| <p>ISO 22301 places greater emphasis on the setting of measurable objectives and performance evaluation. Clause 9 introduced a new clause specifying requirements for the monitoring, measurement, analysis and evaluation of the performance and effectiveness of the business continuity management systems. The clause also includes the Internal Audit and Management Review requirements, which were previously included in BS 25999.</p> <p>However, additional procedures are required to determine what needs to be monitored and measured, when and how the results will be evaluated and what action needs to be taken to address any adverse trends.</p> <p>The procedures are expected to cover the setting of suitable metrics, assessing the performance of the processes protecting its prioritised activities and evaluating the suitability and effectiveness of business continuity procedures.</p> | <p>The current iteration of the BCP may not be fully compliant with all of the requirements set out in ISO 22301 which replaced BS 25999.</p> | <p>R4 As part of the planned review of the BCP in August 2021, consideration should be given to ensuring that the new requirements contained within Clause 9 of ISO 22301 are reflected in the next iteration of the Business Continuity Plan.</p> | <p>Agreed</p> <p>To be actioned by: Vice Principal, Resources and College Development</p> <p>No later than: 31 August 2021</p> <p>Grade 3</p> |

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Glasgow Clyde College

Digital / IT Strategy Implementation

Internal Audit Report No: 2021/05

Draft issued: 14 May 2021

Final issued: 19 May 2021

LEVEL OF ASSURANCE

Satisfactory

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Level of Assurance

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

Gradings are defined as follows:

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

Action Grades

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

Management Summary

Overall Level of Assurance

Satisfactory

System meets control objectives with some weaknesses present.

Risk Assessment

This review focused on the controls in place to mitigate the following risks on the Glasgow Clyde College ('the College') Strategic Risk Register:

- O1 - Failure of College operational processes/ systems /ICT infrastructure including risk of cyber-attack or fraud (risk rating: high).
- O3 - Failure to achieve acceptably high standard quality of teaching delivery and support for students and suitable student experience (risk rating: high); and
- O7 - Failure to recruit and retain an appropriately skilled and effective workforce (risk rating: low)

Background

As part of the 2020/21 Internal Audit programme for the college we carried out a review of the IT / Digital strategy arrangements. Our Audit Needs Assessment identified this as an area where risk can arise and where Internal Audit can assist in providing assurances to the Board of Management and the Principal and Chief Executive that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

Digital technology is changing the way in which we communicate, obtain services, and consume entertainment. Immersive technologies such as mixed and virtual reality are increasingly being deployed in medical training, and 3D technology means a lecture can be delivered online and beyond the traditional on-campus environment. Digital technology can transform the way Colleges deliver education but, without strategic direction, opportunities can be missed, and staff, learners and other stakeholders can potentially be left behind. A focused digital strategy can assist the College:

- prepare for a future where technology is connecting the physical and digital learning environments.
- support the creation of a digital culture that embraces digital innovation.
- enable inclusiveness through accessible digital practice.
- support more flexible and inclusive programmes of study.
- capture and make use of data generated via digital learning environments to inform future provision.
- streamline the learner journey administrative and business processes from application to graduation.

Scope, Objectives and Overall Findings

The scope of this audit was to carry out a review of the College's Digital / IT strategic planning arrangements.

The table below notes the objectives for this review and records the results:

| Objective | Findings | | | | Actions already underway |
|--|--------------|--|---|---|--------------------------|
| The specific objectives of this audit were to obtain reasonable assurance that: | | 1 | 2 | 3 | |
| 1. The Digital / IT Strategy reflects the current business environment and business processes, as well as the College's strategy and future objectives. | Satisfactory | 0 | 1 | 0 | ✓ |
| 2. Management has undertaken an assessment of the performance of current internal business and IT capabilities in order to develop an understanding of the College's strategic drivers in terms of IT. | Satisfactory | 0 | 0 | 0 | ✓ |
| 3. Target business and IT capabilities and required IT services have been defined. | Satisfactory | 0 | 0 | 0 | ✓ |
| 4. The gaps between the current and target IT environments have been identified. | Satisfactory | 0 | 0 | 0 | ✓ |
| 5. The Digital / IT Strategy has been developed in cooperation with relevant stakeholders and defines how IT related goals will contribute to the College's strategic goals. | Satisfactory | 0 | 0 | 0 | ✓ |
| 6. The Digital / IT Strategy has been communicated to appropriate stakeholders and staff throughout the College. | Satisfactory | 0 | 0 | 0 | ✓ |
| 7. Procedures have been established for monitoring implementation of the Digital / IT Strategy and responsibilities formally assigned. | Satisfactory | 0 | 0 | 0 | ✓ |
| Overall Level of Assurance | Satisfactory | 0 | 1 | 0 | |
| | | System meets control objectives with some weaknesses present | | | |

Audit Approach

2

Through discussions with the Vice Principal Resources and College Development, Head of ICT and a sample of senior managers, and review of relevant documentation, we assessed whether the Digital / IT strategic planning process and monitoring controls accord with good practice. Applicable extracts from the Control Objectives for Information and Related Technology (COBIT) framework for information technology management and governance were used as a benchmark.

Summary of Main Findings

Strengths

- The College Digital Strategy 2016-2020 sets out a framework for the use of digital technologies to support the College's business and curriculum objectives.
- The majority of the objectives set out in the Digital Strategy 2016-2020 have been realised.
- It was clear from discussions with management that learner digital and data poverty, coupled with staff digital capability, are priority actions for the College to address.
- Our review noted that through the eLearning team and DELTA (Delivering Excellence in Learning, Teaching and Assessment) project the College has recognised the benefits of developing a pedagogical approach to systems and processes that encourages digital-first thinking and supports staff in developing the skills and confidence to deliver teaching in a digital environment.
- Structures have been established, such as the Innovations and Transformation Committee and the Creative Solutions Group, which provide opportunities for reviewing existing business processes for digitisation and developing an ICT infrastructure and prioritising digital development projects.
- The ICT team continually review the age, performance and capability of the ICT infrastructure and monitor technological changes and trends which, in conjunction with the principles outlined in the College's Digital Strategy 2016-2020, inform infrastructure investment and security decisions to ensure that the digital infrastructure can maintain and support the College's digital objectives.
- The College has previously surveyed staff to gauge digital skills capability and confidence and feedback has been used to inform the development of staff training, particularly around the use of digital communication and collaboration tools.

Opportunities for improvement

- The ICT Strategy 2016-2020 is now at the end of its lifecycle and requires to be refreshed to take account of organisational and technological changes, as well as changes in the operating environment, learning and teaching delivery, and revised ICT outcomes and objectives.
- Where an approach is adopted whereby digital objectives are embedded within the strategic plan and core supporting strategies, rather than developing a distinct and separate Digital Strategy, care must be taken when considering how digital objectives relating to cyber and information security, Digital / ICT infrastructure, and the ICT department digital operating model, which traditionally underpin a digital strategy, can be adequately embedded within the remaining strategies.

Acknowledgements

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

Main Findings and Action Plan

Objective 1: The Digital / IT Strategy reflects the current business environment and business processes, as well as the College's strategy and future objectives.

The College Digital Strategy 2016-2020 sets out a framework for the use of digital technologies to support the College's business and curriculum objectives. A set of development objectives were grouped under four headings: staff development; improved infrastructure; unified communications; and business systems developments.

Through discussions with the Vice Principal Resources and College Development and the Head of ICT, we noted that most of the objectives set out in the Digital Strategy 2016-2020 have now been realised. Despite reductions in capital funding during the period covered by the strategy, and pressures on internal budgeting arrangements due to competing priorities and cost pressures, the College has invested significant resources to support the Digital Strategy. This spans investment in systems, applications, and digital tools, which are now available to staff and students. It also includes investment in the ICT infrastructure and cyber security measures which underpin these services, and also the organisational structures and training delivered through the Organisational Development and eLearning teams. An ICT operational delivery plan is developed annually, which includes short to medium term actions for ICT in supporting the Digital Strategy. Structures have been implemented to ensure that appropriate staff groups are engaged in reviewing processes to identify opportunities to work smarter, more efficiently and more collaboratively with both internal and external stakeholders.

The ICT Strategy 2016-2020 is now at the end of its planned period and requires to be refreshed to take account of organisational and technological changes, as well as changes in the operating environment, learning and teaching delivery, and revised ICT outcomes and objectives, including:

- improving digital services: for internal teams and external stakeholders; learners; and customers.
- improving accessibility to information and systems.
- continuing to improve the infrastructure to be able to adopt new technology and applications; and
- supporting mobile and remote working and customer focused applications.

Digital / IT Strategy Implementation

Objective 1: The Digital / IT Strategy reflects the current business environment and business processes, as well as the College's strategy and future objectives (continued).

Management have already recognised that the digital strategy requires to be revisited and at the time of our fieldwork senior management, after a period of interruption due to the Covid pandemic, had re-started the process of refreshing the College's overarching Strategic Plan and the supporting strategies. We noted that these early discussions had indicated that a separate standalone Digital Strategy would not be developed but the College would instead embed digital aims and objectives within the Strategic Plan and the other supporting strategies (such as the Learning & Teaching Strategy, Estates, Staff Development and Student Experience strategies).

In Scotland, colleges work towards Outcome Agreements, informed by the College Outcome Agreement Guidance, including, for 2020-21, skills alignment, apprenticeships, developing the young workforce, public health, STEM education and training, digital and climate change emergency. In 2020, a Colleges Scotland working group created a Digital Ambition Strategy, and with a shift in focus required due to the Covid-19 pandemic, began work on an implementation roadmap to meet shorter term needs. In parallel, the Scottish Funding Council (SFC) is undertaking a landmark review of the coherence and sustainability of FE and HE institutions, including consideration of how the SFC can help ensure the digital infrastructure necessary for the sector to be world leading.

Through discussion with management, we noted that the College has recognised several key factors that will influence the College's digital aims and objectives which now need to be reflected within the core strategies, including:

- employers depend upon future employees with the requisite digital as well as academic, technical, and vocational skills;
- technological innovation is shaping learning content and resources;
- learner expectations regarding teaching delivery and accessibility to learning and support services has been influenced by learners' experiences during the Covid pandemic; and
- the physical, as well as digital environment, within the College campuses and learning spaces will need to align closely with the Learning & Teaching and Student Experience strategies.

A Digital Strategy has an important role to play in the College achieving its ambitions:

- in delivering cost savings and Value for Money through maximising the impact of existing systems, including how systems interoperate to enable informed decisions to be made and learner experience improved;
- in using regional skills and employment insight to drive responsive and timely curriculum and learning design;
- in designing and delivering blended physical and online learning spaces;
- by supporting collaboration between staff to support learners with their learning;
- ensuring staff, learners and the College's assets are protected from cyber security attacks; and
- ensuring digital leaders and digitally capable staff are equipped to enable digital elevation.

Strategic objectives will only deliver digital transformation if they embed with the College's improvement processes. This requires an approach that maintains accountability for achieving each objective and supports the delegated authority that enables objectives to be achieved. In addition, there must be meaningful milestones so that the organisation's progress towards the objectives can be evaluated.

Digital / IT Strategy Implementation

Objective 1: The Digital / IT Strategy reflects the current business environment and business processes, as well as the College's strategy and future objectives (continued).

| Observation | Risks | Recommendation | Management Response | |
|---|---|---|--|---|
| Where an approach is adopted whereby digital objectives are embedded within the Strategic Plan and the core supporting strategies, rather than developing a distinct and separate Digital Strategy, then particular care must be taken when considering how digital objectives relating to cyber and information security, Digital / ICT infrastructure, and the ICT department digital operating model, which traditionally underpin a digital strategy, can be adequately embedded within the remaining strategies. | Key digital objectives relating to the ICT elements which underpin the achievement of strategic digital objectives relating to learning and teaching, staff development, student experience and business development are not recognised within the College's core strategies. | R1 Ensure that digital objectives relating to cyber and information security, Digital / ICT infrastructure, and the ICT department digital operating model, which traditionally underpin a digital strategy, are adequately described within the College's refreshed Strategic Plan and core supporting strategies. Appropriate metrics should then be identified to monitor achievement of those objectives within the supporting strategies. Where this cannot reasonably be achieved, then consideration should be given to developing a separate Digital Strategy to provide an underpinning and enabling strategy to the over-arching Strategic Plan. | The College will consider this when preparing the new set of core strategies to support the Strategic Plan. To be actioned by: Principal and Chief Executive No later than: 31 July 2021 | |
| | | | Grade | 2 |

Digital / IT Strategy Implementation

Objective 2: Management has undertaken an assessment of the performance of current internal business and IT capabilities in order to develop an understanding of the College's strategic drivers in terms of IT.

In March 2020, the College closed its doors and rapidly moved to wholesale remote learning and teaching. Emergency IT infrastructure and software was brought in at pace, along with fast-track digital upskilling for staff and learners.

It was clear from discussions with management that learner digital and data poverty, coupled with staff digital capability, are priority actions for the College to address, to ensure that no member of staff or learner is left behind as digital capability plays an increasingly important role in the College, the sector, economy, and wider society.

The biggest challenge in implementing a digital strategy is establishing a digital culture which shapes and support a positive attitude to digital innovation. People development should also be a specific focus when adopting, embedding, and normalising digital practice. Our review noted that through the eLearning team and DELTA (Delivering Excellence in Learning, Teaching and Assessment) project the College has recognised the benefits of developing a pedagogical approach to systems and processes, which encourages digital-first thinking and supports staff in developing the skills and confidence to deliver teaching in a digital environment.

Structures have been established, such as the Innovation and Transformation Committee and Creative Solutions Group, which provide opportunities for reviewing existing business processes for digitisation and developing an ICT infrastructure and prioritising digital development projects.

Digital / IT Strategy Implementation

Objective 3: Target business and IT capabilities and required IT services have been defined; and

Objective 4: The gaps between the current and target IT environments have been identified.

Given the rate at which technology develops, the actual costs, equipment and timescales required to achieve the College's digital aims and objectives may flex over time. Therefore, given the pace of change, the resources and timescales may not always be formally documented. It is our view that the College's approach in this regard is reasonable and proportionate. The College ICT team continually review the age, performance and capability of the IT infrastructure and monitor technological changes and trends which, in conjunction with the principles outlined in the College's Digital Strategy 2016-2020, inform infrastructure investment and security decisions to ensure that the digital infrastructure can maintain and support the College's digital objectives. For example, additional remote access capability was implemented prior to the Covid-19 pandemic, although further capacity was added during the pandemic in 2020 to support the increased number of staff working from home.

There is currently no formal framework underpinning the Digital Strategy which outlines the College's medium to long term Digital / ICT infrastructure requirements or how the College will move towards widening its use of digital technologies to support business objectives. The College has recognised that several factors will influence future technology and infrastructure requirements, including curriculum offering, teaching delivery, learner and employer expectations, staff resources and physical resources. In May 2021, the Assistant Principal Quality and Performance presented a discussion paper to the Learning and Teaching Committee entitled 'Post Pandemic Learning, Teaching and Assessment' which focussed on potential impacts on teaching and assessment, staff support and training, and student experience. The paper highlighted several areas where digital capability has a role to play in delivery of College services and the paper is informing the discussions regarding the development of the new Strategic Plan and supporting strategies.

Internal mechanisms, including the Creative Solutions Group and Innovation and Transformation Committee, which identify the College's decision-making authority for operational adjustments to Digital / ICT services and projects; the criteria for assessing and prioritising Digital / ICT development projects; and monitoring of the effectiveness of implementation of projects as they come online. Feedback from these forums, including staff views on systems, applications, and process improvements, are considered as part of future development of business systems and departmental activity plans.

Analysis of staff skills is considered regularly within teams and as part of curriculum reviews to ensure that the College has the appropriate resources to deliver planned activity. The College has previously surveyed staff to gauge digital skills capability and confidence, and the feedback provided has been utilised to inform the development of staff training, particularly around the use of digital communication and collaboration tools. We noted that, over time, the College intends to identify a core digital skills requirement for staff and to embed these within induction and staff development programmes for staff.

Digital / IT Strategy Implementation

Objective 5: The Digital / IT Strategy has been developed in cooperation with relevant stakeholders and defines how IT related goals will contribute to the College's strategic goals.

Objective 6: The Digital / IT Strategy has been communicated to appropriate stakeholders and staff throughout the College.

The College's Digital Strategy 2016-2020 was developed in consultation with internal stakeholders. The Digital Strategy is readily available to all staff via the staff intranet. At the time of our review, the College was refreshing the overarching Strategic Plan, and supporting strategies, and the College's digital objectives for learning and teaching, student experience, business development, estates and ICT infrastructure had yet to be formally agreed. The College has well established processes for strategy development, which ensure that the views of staff, learners, and other key stakeholders are captured.

To be effective, endorsement must emanate from the senior leadership of the College, and the messaging needs to be aligned with the College's overall strategic vision and values. The digital strategy should show how digital practice will support and enhance existing practices and the delivery of strategic objectives.

Good practice for effectively articulating a digital strategy, which we have identified in other Colleges, includes a combination of the following:

- a digital vision statement: usually a short aspirational statement that describes the future state.
- strategy document: a policy-style text setting out the guiding principles and the values driving the digital strategy, where:
 - details are provided about the enablers such as the SMART objectives and performance indicators that will be used to monitor and measure progress; and
 - also shows the links to other key strategic documents (e.g. operational plan and the learning, teaching, and assessment strategy).
- a SMART delivery plan: objectives are turned into a road map showing the key timelines when specific action will be delivered and who is responsible for delivery.

Digital strategies should effectively articulate how digital practice will:

- extend the study experience and prepare learners for employment in a digital world.
- use digital technologies to create opportunities to engage learners in both formal and informal learning.
- enhance continuous improvement and capitalise on digital efficiencies at all levels.
- improve the efficiencies of business and administrative processes.

The College already has several high-level strategies in place, which are expected to be refreshed once an updated Strategic Plan has been agreed. Curriculum delivery is guided by learning, teaching, and assessment strategies. Procurement strategies are utilised to obtain physical resources and the HR team has created people development strategies to help staff to develop the digital skills and confidence required to deliver the future curriculum. The digital strategy should draw on these existing strategies to show how good coordination between them will lead to optimal outcomes.

Digital / IT Strategy Implementation

Objective 7: Procedures have been established for monitoring implementation of the Digital / IT Strategy and responsibilities formally assigned.

It is important that the progress of implementing a digital strategy is monitored appropriately at the different levels of the implementation structure. Through discussion with management, and review of Board, sub-committee, and management team papers, we identified that monitoring of the College's strategies occurs on several levels, including:

- Board and management groups review longer-term achievement of the strategic objectives.
- management and strategy owners review medium-term key milestones for their objective(s).
- departmental teams or project groups review shorter-term completion of outputs that are essential to achieving key milestones of each strategic objective.

Board and management groups

Board and management meetings ensure that agenda items and terms of reference of meetings relate to the College strategic objectives. We noted that decisions taken at Board and sub-committees support management and enable them to integrate and coordinate the digital objectives into operational plans and other organisational activities.

Management and strategy owners

Management teams ensure expectations regarding strategy deliverables and outcomes progress are agreed with the objective departmental team members responsible for strategy implementation. Strategy achievement is monitored against those expectations at departmental level and reported to management teams.

Departmental teams and project groups

Operational plans are developed annually with actions linked to the strategic aims and objectives of the College Development Plan and supporting strategies.

Once the refreshed Strategic Plan and supporting strategies have been developed and agreed, then it is the intention that the digital objectives contained within them will be monitored within the established structures and procedures.

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AUDIT COMMITTEE MEETING

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|---------------------|---|
| Date of Meeting | 26 May 2021 |
| Paper Title | Unethical Behaviour and Whistleblowing Policy and Procedure |
| Agenda Item | 21.17 |
| Papers | 21.17A, 21.17B, 21.17C, 21.17D |
| Responsible Officer | Christine McConnell, Clerk to The Board of Management |
| Status | Disclosable |
| Action | For Steer/ Approval |

1 REPORT PURPOSE

- 1.1 This paper asks the Committee to consider and approve the terms of an updated Unethical Behaviour and Whistleblowing Policy and associated Procedure.

2 ACTIONS FOR THE COMMITTEE

The Committee is invited to:

- (1) discuss the Whistleblowing Policy and associated Whistleblowing Procedure as contained in Appendices 1 and 3;
- (2) provide a steer for the Board when it meets to discuss approval of the revised Whistleblowing Policy; and
- (3) approve the Whistleblowing Procedure.

3 BACKGROUND

- 3.1 In February 2021, as part of a planned programme of reviews, Henderson Loggie, Internal Auditors carried out a review of the College's fraud and bribery prevention, detection and response processes.

The overall grading of the review was "Good", meaning that the systems met control objectives. The internal audit report, which was considered by the Audit Committee at its meeting on 3rd March 2021, included a recommendation that the College's Unethical Behaviour and Whistleblowing Procedure be reviewed, as this had not been done since August 2013. This Procedure sits alongside the College's Unethical Behaviour and Whistleblowing Policy which was last reviewed in 2017 and was therefore due for review in 2022. It was however thought appropriate to review both the Policy and the Procedure at this stage to ensure that both are aligned.

3.2 Whistleblowing Policy

With input from the Assistant Principal, Human Resources, Chair of the Board, Chair of the Audit Committee and Chair of the Organisational Development Committee, revisions to the Unethical Behaviour and Whistleblowing Policy were considered by the Board at its meeting on 24th March 2021.

The Board was generally supportive of the proposed revisions to the Policy, but asked that it be considered by the Organisational Development Committee and

Audit Committee alongside the supporting Unethical Behaviour and Whistleblowing Procedure.

The Policy was considered by the OD Committee at its meeting on 19th May and a verbal update of the feedback received will be provided at the meeting.

A clean version of the revised Policy is attached at Appendix 1 with a version showing tracked changes at Appendix 2. The Board specifically asked that the reference to “substantial allegations”, which is highlighted, be considered in light of the supporting Procedure.

3.3 Whistleblowing Procedure

The Unethical Behaviour and Whistleblowing Procedure has also been reviewed and the updated version is attached at Appendix 3, with a version showing the tracked changes at Appendix 4.

The revisions are designed to ensure that that procedure is clear, fair and responsive. The Procedure was also considered by the OD Committee at its meeting on 19th May and a verbal update on its comments will be provided at the meeting.

3.4 Actions for the Committee

The Committee is asked to:-

- (1) Discuss the revised Whistleblowing Policy as shown in Appendix 1 and provide a steer to the Board;
- (2) Approve the revised Whistleblowing Procedure as contained in Appendix 3.

4. RISK ANALYSIS

The Whistleblowing Policy and Whistleblowing Procedure form part of Glasgow Clyde College’s governance arrangements. By ensuring that these matters are properly addressed, GCC will ensure that its governance meets the expectations of the Scottish Funding Council, Scottish Government, GCRB, OSCR and other relevant stakeholders.

5. LEGAL IMPLICATIONS

There are no specific legal implications associated with this paper.

6. FINANCIAL IMPLICATIONS

There are no specific financial implications associated with this paper.

7. REGIONAL OUTCOME AGREEMENT IMPLICATIONS

None

8. HAS AN EQUALITY IMPACT ASSESSMENT BEEN CARRIED OUT

N/A

Policy Area: Board of Management
Policy Title: Whistleblowing Policy
Revision No.: 2
Review Period: 5 years
Review Due: On or before March 2026

Policy Statement

1. It is the policy of the Board of Management to:
 - promote a culture of openness and honesty within Glasgow Clyde College, ensuring, in the public interest, that the risk of fraud and corruption is minimised and the health and safety of everyone visiting the College, for whatever reason, is protected;
 - encourage all involved in College life, including Board members, employees, contractors and students, to speak up in the public interest where they reasonably suspect illegal behaviour or malpractice;
 - ensure that **an allegation** made under this policy is fairly investigated in accordance with the Whistleblowing Procedure;
 - ensure that anyone making an allegation of serious concerns in the public interest in terms of the this Policy receives protection against being dismissed or otherwise suffering detriment as a result of disclosing those concerns in terms of the Public Interest Disclosure Act 1998 provided the disclosure is made in good faith and in accordance with the Whistleblowing Procedure.

2. Confidentiality

Unless otherwise agreed, the College will treat all disclosures made under this policy confidentially, except where this would hinder any investigation or where disclosure of the identity of the person making the allegation is required by law.

If it is anticipated that the identity of the person making the allegation will be revealed as part of the investigation, the person will be informed.

3. Anonymity

Anyone making an allegation under this policy is encouraged to include details of their name and contact details as described in the Whistleblowing Procedure.

The College shall have discretion as to whether anonymous disclosures will be investigated in line with the the College's "Guide to Dealing with Anonymous Communications Regarding Members of Staff", having regard to the seriousness of the subject matter of the report and the likelihood of the allegations being confirmed by other credible sources.

4. Scope

- 4.1 This policy covers concerns raised which are in the public interest.

These might include:

- Financial irregularities, malpractice, impropriety or fraud.
- Dangers to health and safety or the environment.
- Breaches of contract.
- Negligence.
- Serious maladministration.
- Corruption
- Bribery.
- Criminal activity.
- Academic or professional malpractice.
- Improper conduct or unethical behaviour / practices.
- Failure to comply with or breaches of a legal obligation.
- Attempts to conceal any of the above.

This Policy has been developed with due regard to all relevant legislation.

RELEVANT DOCUMENTS

Full details of how allegations of illegal behaviours or malpractice will be dealt with are contained within the 'Whistleblowing Procedure'.

Guide to Dealing with Anonymous Communications Regarding Members of Staff

Discipline Procedure (including legacy)

Grievance Procedure (including legacy)

Dignity at Work Procedure

Anti Bribery, Fraud and Corruption Policy

History of changes

| Revision | Description | Adopted | Authorised |
|----------|---|---------------|---------------------|
| 0 | First draft | December 2013 | SW |
| 1 | Policy reviewed with no updates required. | March 2017 | Board of Management |
| 2 | Policy reviewed with substantial changes | March 2021 | Board of Management |
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Policy Area: Board of Management

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<#>investigate fully any substantive allegation of a breach of relevant legislation e.g. these standards, in its corporate governance or in its strategic and operational management;¶

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 <#>deal with malicious allegations within the College's existing disciplinary procedures;¶
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 <#>deal with malicious allegations by Board members within the College's existing procedure for Unethical Behaviour and Whistleblowing;¶
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 <#>behave with integrity and propriety and to act within the law and the regulations, procedures and practices laid down in relation to the conduct of the College's business;¶
 <#>¶
 <#>ensure they are aware of and have ready access to, the Colleges agreed policies and procedures;¶
 <#>¶
 <#>encourage members and employees to raise any concerns they have about fraud and corruption immediately they occur;¶
 <#>¶
 <#>ensure that it's members comply with the Colleges Code of Conduct for members of its Board and also its Financial Regulations;¶
 <#>¶
 <#>ensure that all procurement is conducted prudently and honestly;¶
 <#>¶
 <#>require the College to operate a system of financial record keeping and budgetary control capable of meeting both the College's own internal accounting needs and the need to demonstrate accountability for the use of public funds; and¶
 <#>¶
 <#>ensure that the risk of fraud and corruption is minimised.¶
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Procedure Name: Whistleblowing Procedure
Responsible: Clerk to Board of Management
Revision No.: 4
Last Reviewed: August 2012

Review Date March 2021

Next Review Due March 2026

ASSOCIATED DOCUMENTATION
Whistleblowing Policy

1 INTRODUCTION

1.1 PURPOSE / SCOPE

To ensure that there is a fair, clear and transparent procedure to deal expeditiously with allegations of illegal behaviour or malpractice which fall within the terms of the Public Interest Disclosure Act 1998 (“the Act”).

1.2 PROCEDURE

Any disclosure of illegal behaviour or malpractice within the terms of the Act in Glasgow Clyde College should be made to the Clerk to the Board of Management (“Clerk”), subject to the two following exceptions:

- if the disclosure is in relation to the Clerk, then it should be made to the Principal and Chief Executive;
- if the disclosure involves the Principal and Chief Executive, then it should be made to the Chair of the Board of Management (“Chair”) .

In the process outlined below, ‘Chair’ should be substituted for ‘Clerk’ throughout if the disclosure is about the Principal and Chief Executive, and ‘Principal and Chief Executive’ should be substituted if the disclosure is about the Clerk.

1.3 ANONYMOUS DISCLOSURES

In line with the College’s Whistleblowing Policy, the College will endeavour to treat all disclosures made under this policy confidentially and will respect any request for anonymity in so far as possible.

However, anyone making a report under this policy should be aware that their identity may need to be disclosed as part of an investigation or may be unavoidably disclosed as part of the facts of the disclosure.

The College shall have discretion as to whether anonymous disclosures should be investigated in line with the College’s “Guide to Dealing with Anonymous Communications Regarding Members of Staff” and having particular regard to the seriousness of the subject matter of the report and the likelihood of the allegations being confirmed by other credible sources.

1.4 DEFINITIONS

Worker

Under the Act, the following are ‘workers’ and are entitled to protection if they make a Disclosure in relation to the activities of Glasgow Clyde College Board members and staff:

- employees
- contractors
- agency staff
- trainees

Disclosure

The Act extends protection to any disclosure of information, which in the reasonable belief of the worker making the disclosure tends to show one or more of the following:

- the commission or likely commission of a criminal offence;
 - a failure or likely failure to comply with a legal obligation;
 - the occurrence or likely occurrence of a miscarriage of justice;
 - danger to the health and/or safety of any individual(s);
 - damage or likely damage to the environment;
- or
- the deliberate concealment of information showing any of the above.

Limits to Protection

The Disclosure will not qualify for protection under the Act if the worker making it commits an offence by so doing.

2.0 INITIAL STEPS

- 2.1 A worker making a Disclosure should inform the Clerk to the Board in writing (including by email) of the nature of the Disclosure demonstrating that there are reasonable grounds for their belief.
- 2.2 The Clerk will advise the Chair and Principal and Chief Executive that the Whistleblowing Procedure has been invoked.
- 2.3 In a case involving alleged financial malpractice, the Clerk will act throughout in consultation with the Principal and Chief Executive. If the Disclosure involves alleged financial malpractice by the Principal and Chief Executive, the Chair will act in consultation with the College's internal auditors.
- 2.4 The worker making the Disclosure will have the right to request that the matter be treated confidentially and their identity will not be disclosed to the alleged perpetrator of malpractice provided this does not hinder or frustrate any investigation or is required by law. If it is anticipated that the identity of the worker making the Disclosure may be revealed as part of the investigation, the worker will be informed.
- 2.5 Any investigation will be conducted with discretion and will also respect as far as possible the confidentiality of the person under investigation.
- 2.6 The requirement for confidentiality will also be without prejudice to any potential criminal investigation.

3.0 INITIAL EVALUATION

- 3.1 The Clerk will consider the information made available and decide either to:-

- investigate internally; or
- refer the matter to the police or procurator fiscal; or
- arrange an independent, external investigation; or
- not commence an investigation.

These steps are not mutually exclusive and the College will always provide full support to any police investigation.

- 3.2 If the Clerk decides not to commence an investigation, the discloser will be so advised. They will also be informed of the right of appeal against the Clerk's decision not to proceed to the Chair, whose decision will be final. In the event that the Disclosure is in relation to the Principal and Chief Executive, there will be a right of appeal against a decision not to proceed to a Panel of the Board of Management, to be selected by the Clerk which will not include the Chair.

4.0 STAGE 1 -INVESTIGATION

- 4.1 If the decision is to investigate internally, the Clerk will appoint an independent member of the College's Senior Management Team to carry out an investigation and will agree:
- the procedure to be followed, and
 - the scope of the concluding report.
- 4.2 Dependent on the nature and subject matter of the disclosure made, the Clerk may instead appoint the College's internal auditors to carry out the investigation.
- 4.3 If the decision is to arrange an independent, external investigation, the Clerk will contact the appropriate authority having regard to the subject matter and the seriousness of the allegation (for example, the Scottish Funding Council or Audit Scotland).
- 4.4 If appropriate and without causing prejudice to the investigation, the person(s) against whom the Disclosure is made will be told of it, and of the evidence supporting it, and will be invited to comment as part of the investigation.
- 4.5 Any investigation will be conducted as sensitively and as speedily as possible, taking into account the interests of the College, the wider public interest, the nature of the Disclosure, the person(s) alleged to have committed wrongdoing or malpractice and the person making the Disclosure.
- 4.6 On conclusion of Stage 1, the person carrying out the investigation will provide a concluding written report to the Clerk.

5.0 STAGE 2

- 5.1 On receipt of the concluding report, the Clerk will consider the information available and decide what further action is required including reporting in line with the procedure below.

- 5.2 The Clerk may decide to instigate further internal and / or external procedures or decide not to proceed with further action.
- 5.3 In the event that the Clerk decides no further action is required, the discloser may appeal that decision to the Principal and Chief Executive or, where the Principal and Chief Executive was involved in the Stage 1 investigation, to the Chair, whose decision will be final.
- 5.4 The right of appeal against a decision not to investigate a Disclosure about the Principal and Chief Executive, will be to a panel of the Board of Management, which will not include the Chair.
- 5.5 If the Disclosure was adjudged to be of malicious intent, then the Clerk may recommend that a disciplinary process be instigated against the discloser.
- 5.6 All parties, including the discloser, will be advised by the Clerk of decisions and actions taken.

6.0 REPORTING OF OUTCOMES

- 6.1 A full report on all Disclosures and any consequent actions taken will be made by the Clerk to the Audit Committee, unless the Committee Chair agrees otherwise, with a summary report being provided to the Board of Management, should the Audit Committee deem it appropriate.
- 6.2. All reports will be retained for a period of 5 years.

RELATED INFORMATION

Glasgow Clyde College Discipline Policy

Glasgow Clyde College Grievance Policy

Glasgow Clyde College Dignity at Work Procedure

College Financial Regulations – Whistleblowing and Code of Conduct sections

Anti Bribery, Fraud and Corruption Policy

[Public Interest Disclosure Act 1988](#)

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Procedure Name:

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Whistleblowing Procedure

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Responsible:

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Clerk to Board of Management

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Revision No.:

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Last Reviewed:

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August 2012

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Review Date

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March 2021

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Next Review Due

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March 2026

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ASSOCIATED DOCUMENTATION

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Whistleblowing Policy

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<#>Unethical Behaviour and Whistleblowing Flowchart (BM-UBWE)¶

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- if the disclosure involves the Principal and Chief Executive, then it should be made to the Chair of the Board of Management ("Chair").

In the process outlined below, 'Chair' should be substituted for 'Clerk' throughout if the disclosure is about the Principal and Chief Executive, and 'Principal and Chief Executive' should be substituted if the disclosure is about the Clerk.

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In line with the College's Whistleblowing Policy, the College will endeavour to treat all disclosures made under this policy confidentially and will respect any request for anonymity in so far as possible.

However, anyone making a report under this policy should be aware that their identity may need to be disclosed as part of any investigation or may be unavoidably disclosed as part of the facts of the disclosure.

The College shall have discretion as to whether anonymous disclosures should be investigated in line with the College's "Guide to Dealing with Anonymous Communications Regarding Members of Staff" and having particular regard to the seriousness of the subject matter of the report and the likelihood of the allegations being confirmed by other credible sources.

1.4 DEFINITIONS

Worker

Under the Act, the following are 'workers' and are entitled to protection if they make a Disclosure in relation to the activities of Glasgow Clyde College Board members and staff;

- employees
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Disclosure

The Act extends protection to any disclosure of information, which in the reasonable belief of the worker making the disclosure **tends to show one or more of the following**:

- the commission or likely commission of a criminal offence;
- a failure or likely failure to comply with a legal obligation;
- the occurrence or likely occurrence of a miscarriage of justice;
- danger to the health and/or safety of any individual(s);
- damage or likely damage to the environment;

or,

- the deliberate concealment of information showing any of the above.

Limits to Protection

The Disclosure will not qualify for protection under the Act if the worker making it commits an offence by so doing.

2.0 INITIAL STEPS

- 2.1 A worker **making a Disclosure should inform the Clerk** to the Board **in writing (including by email) of the nature of the Disclosure demonstrating** that there are reasonable grounds for **their** belief.
- 2.2 The **Clerk** will advise **the** Chair and Principal and Chief Executive that the **Whistleblowing Procedure** has been invoked.
- 2.3 In a case involving alleged financial malpractice, the **Clerk** will act throughout in **consultation with the Principal and Chief Executive**. If the **Disclosure** involves alleged financial malpractice by the Principal and Chief Executive, the Chair will **act in consultation with** the College's internal auditors.
- 2.4 The worker making the **Disclosure** will have the right to request that the matter be treated confidentially and their identity will not be disclosed to the alleged perpetrator of malpractice provided this does not hinder or frustrate any investigation **or is required by law**. **If it is anticipated that the identity of the worker making the Disclosure may be revealed as part of the investigation, the worker will be informed.**
- 2.5 Any investigation will be conducted with discretion and will also respect as far as possible the confidentiality of the person under investigation.
- 2.6 The requirement for confidentiality will also be without prejudice to any potential criminal investigation.

3.0 INITIAL EVALUATION

- 3.1 The **Clerk** will consider the information made available and decide **either to:-**
 - **investigate internally; or**

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DEFINITIONS continued¶

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¶ Where a disclosure is made by a 'worker', then the 'worker' making it will qualify for protection under the Act provided that:¶

¶ <#>the disclosure is made in good faith;¶

<#>the 'worker' reasonably believes that the information disclosed and any allegations contained in it are substantially true;¶

<#>the disclosure is not made for personal gain;¶

<#>the relevant failure is of an exceptionally serious nature; and¶

<#>the disclosure is reasonable in all the circumstances. ¶

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- refer the matter to the police or procurator fiscal; or
- arrange an independent, external investigation; or
- not commence an investigation.

These steps are not mutually exclusive and any police investigation will always take priority.

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- 4.2 Dependent on the nature and subject matter of the disclosure made, the Clerk may instead appoint the College's internal auditors to carry out the investigation.

- 4.3 If the decision is to arrange an independent, external investigation, the Clerk will contact the appropriate authority having regard to the subject matter and the seriousness of the allegation (for example, the Scottish Funding Council or Audit Scotland).

- 4.4 If appropriate, and without causing prejudice to the investigation, the person(s) against whom the Disclosure is made will be told of it, and of the evidence supporting it, and will be invited to comment as part of the investigation.

- 4.5 Any investigation will be conducted as sensitively and as speedily as possible, taking into account the interests of the College, the wider public interest, the nature of the Disclosure, the person(s) alleged to have committed wrongdoing or malpractice and the person making the Disclosure.

- 4.6 On conclusion of Stage 1, the person carrying out the investigation will provide a concluding written report to the Clerk.

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3.4 If the Clerk Secretary decides that the matter raised is sufficiently material, well founded and substantial to justify investigation, a further decision will be required as to whether to:

investigate internally or refer the matter to the police or procurator fiscal or arrange an independent, external investigation.

3.5 In principle, only one of these means should be utilised but, if the initial step is (a), the conclusion of the internal investigation may be that (b) or (c) is required. In any case, an investigation by the police or procurator fiscal must be given precedence.

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- 5.3 In the event that the Clerk decides no further action is required, the Discloser may appeal that decision to the Principal and Chief Executive or, where the Principal and Chief

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6.2 All reports will be retained for a period of 5 years.

RELATED INFORMATION

[College Financial Regulations – Whistleblowing and Code of Conduct sections](#)
[Glasgow Clyde College Discipline Policy](#)
[Glasgow Clyde College Grievance Policy](#)
[Dignity at Work Procedure](#)
[College Financial Regulations – Whistleblowing and Code of Conduct sections](#)
[Anti Bribery, Fraud and Corruption Policy](#)
[Public Interest Disclosure Act 1988](#)

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5.4 If the Clerk Secretary decides to proceed with further action, a decision will be required as to whether further internal and / or external procedures should need to be invoked.

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6.2 .

Deleted: In all cases, a detailed report will be made to the Audit Committee where the issue falls within its remit and, in other cases, a summary report will be provided to allow the Audit Committee and Board of Management to monitor the effectiveness of the procedure.

Deleted: ¶

Deleted: [Association of Scottish Colleges Guidance Note on Public Interest Disclosure Act 1988](#)¶

¶
The Good Governance Standard for Public Services¶

Deleted: ¶

Deleted: Anti Bribery, Fraud and Corruption Policy¶

AUDIT COMMITTEE MEETING

| | |
|---------------------|--------------------------------------|
| Date of Meeting | 26 May 2021 |
| Paper Title | Internal Audit 2020/21 Plan Progress |
| Agenda Item | 21.18 |
| Paper Number | 21.18A |
| Responsible Officer | Henderson Loggie, Internal Auditors |
| Status | Disclosable |
| Action | For Discussion |

1. REPORT PURPOSE

The purpose of this report is to provide a summary of the progress against the Internal Audit Plan for 2020/21, as being completed by Henderson Loggie.

2. RECOMMENDATION

Committee Members are invited to review and discuss this paper.

3. BACKGROUND

3.1 The 2020/21 Internal Audit Plan continues to be progressed and an update is attached to this paper which shows the timeframe for each of the audit areas.

3.2 As can be seen from the attached progress report against the internal audit plan, all six of the reports on the internal audit areas for the year have been completed with the final three being reported to this meeting. There remains only the annual Follow Up Report to be completed and the fieldwork for that report is due to commence on 14th June.

4. RISK ANALYSIS

There are no specific risk implications in this paper.

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

Internal Audit Progress Report 2020/21 Annual Plan

26 May 2021

Now, for tomorrow

Internal Audit Progress Report

May 2021

Progress in delivering the annual plan for 2020/21 is shown below.

| Audit Area | Planned reporting date | Report status | Report Number | Overall Conclusion | Audit Committee | Comments |
|--|------------------------|--|---------------|--------------------|-----------------|----------|
| Annual Plan 2020/21 | September 2020 | Draft 17/09/20 2 nd Draft 23/09/20 Final 30/09/20 | 2021/01 | N/A | 30/09/20 | |
| Student Support | March 2021 | Draft 23/02/21 Final 24/02/21 | 2021/03 | Satisfactory | 03/03/21 | |
| Payroll | March 2021 | Draft 24/02/21 Final 25/02/21 | 2021/04 | Good | 03/03/21 | |
| Fraud and Bribery Prevention, Detection and Response | March 2021 | Draft 17/02/21 2 nd Draft 18/02/21 Final 18/02/21 | 2021/02 | Good | 03/03/21 | |
| Delivery of Efficiency Savings Plan | May 2021 | Draft 17/05/21 Final 18/05/21 | 2021/06 | Good | 26/05/21 | |
| Risk Management / Business Continuity | May 2021 | Draft 19/05/21 Final 20/05/21 | 2021/07 | Satisfactory | 26/05/21 | |
| Digital / IT Strategy Implementation | May 2021 | Draft 14/05/21 Final 19/05/21 | 2021/05 | Satisfactory | 26/05/21 | |

| Audit Area | Planned reporting date | Report status | Report Number | Overall Conclusion | Audit Committee | Comments |
|-------------------|------------------------|---------------|---------------|--------------------|-----------------|--|
| Follow-Up Reviews | October 2021 | | | | | Fieldwork start date agreed for 14 June 2021 |



Internal Audit Progress Report May 2021

In addition, College management has requested that we undertake the following audits, which are required by the Scottish Funding Council but are not included in the “core” internal audit programme:

| Audit Area | Planned reporting date | Report status | Report Number | Overall Conclusion | Audit Committee | Comments |
|---------------------------------------|--|---------------|---------------|--------------------|-----------------|--|
| Credits audit | September 2021 – Audit Committee November 2021 | | | | | Fieldwork start date proposed for 6 September 2021 |
| Bursary, childcare and hardship funds | September 2021 – Audit Committee November 2021 | | | | | Fieldwork start date proposed for 2 September 2021 |
| EMA audit | September 2021 – Audit Committee November 2021 | | | | | Fieldwork start date proposed for 2 September 2021 |

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AUDIT COMMITTEE MEETING

| | |
|---------------------|--|
| Date of Meeting | 26 May 2021 |
| Paper Title | 2020/21 External Audit Planning Memorandum |
| Agenda Item | 21.19 |
| Paper Number | 21.19A |
| Responsible Officer | Azets Audit Services, External Auditors |
| Status | Disclosable |
| Action | For Discussion |

1. REPORT PURPOSE

The purpose of this paper is to present to the Committee the 2020/21 External Audit Plan.

2. RECOMMENDATION

Committee Members are invited to review and discuss this paper.

3. BACKGROUND

In preparation for the forthcoming external audit, the external auditors Azets Audit Services have prepared the attached 2020/21 External Audit Plan.

Azets Audit Services, formerly Scott Moncrieff, were appointed by Audit Scotland as the External Auditors of Glasgow Clyde College with effect from 1 August 2016 until 31 July 2021. As COVID19 has resulted in significant disruption for public bodies and auditors of the public sector, Audit Scotland have now extended this appointment by a further year.

There are a number of areas covered within the plan which highlights the nature and scope of the audit work including the responsibilities and the auditor's planned approach. The key section of the plan is their considered risk areas for the audit and the section on the wider scope of the audit. In addition the report indicates their timetable and planned fees.

4. RISK ANALYSIS

There are no specific risk implications in this paper.

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

Azets Audit Services were also appointed by Audit Scotland as the external auditors of the Glasgow Colleges Regional Board, City of Glasgow College and Glasgow Kelvin College.

6. HAS AN EQUALITY IMPACT ASSESSMENT BEEN CARRIED OUT

N/A



Glasgow Clyde College

External Audit Annual Plan

2020/21

May 2021



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Introduction



Introduction

1. This document summarises the work plan for our 2020/21 external audit of Glasgow Clyde College (“the College”).
2. The core elements of our work include audits of:
 - the 2020/21 annual report and accounts and related matters;
 - the College’s arrangements for governance and transparency, financial management, financial sustainability and value for money;
 - the College’s participation in the National Fraud Initiative (NFI); and
 - any other work requested by Audit Scotland.
3. performance of auditors through a quality control process.
5. The Auditor General has appointed Azets as external auditor of Glasgow Clyde College for the six year period 2016/17 to 2021/22¹. This document summarises the audit plan for 2020/21 and includes;
 - the responsibilities of Azets as the external auditor;
 - our strategy;
 - our planned audit work and how we will approach it;
 - our proposed audit outputs and timetable; and
 - background to Azets and the audit team.

Audit appointment

3. The Auditor General for Scotland is an independent Crown appointment, made on the recommendation of the Scottish Parliament. The Auditor General is independent and not subject to control of any member of the Scottish Government or the Parliament. The Auditor General is responsible for securing the audit of the Scottish Government and most public bodies, including further education bodies in Scotland, and reporting on their financial health and performance.
4. Audit Scotland is an independent statutory body that provides the Auditor General with the services required to carry out his statutory functions, including monitoring the

Auditor independence

6. International Standards on Auditing in the UK require us to communicate on a timely basis all facts and matters that may have a bearing on our independence.
7. We confirm that we comply with the Financial Reporting Council’s (FRC) Ethical Standard. In our professional judgement, we are independent and our objectivity is not compromised in any way.
8. We set out in Appendix 2 our assessment and confirmation of independence.

¹ In October 2020, the Auditor General extended our audit appointment for one year through to the audit of

the 2021/22 financial year to provide continuity and stability in the current challenging environment.

Adding value through the audit

9. All of our clients demand of us a positive contribution to meeting their ever-changing business needs. Our aim is to add value to the College through our external audit work by being constructive and forward looking, by identifying areas of improvement and by recommending and encouraging good practice. In this way, we aim to help the College promote improved standards of governance, better management and decision making and more effective use of resources.

Feedback

10. Any comments you may have on the service we provide, the quality of our work and our reports would be greatly appreciated at any time. Comments can be reported directly to any member of your audit team.

Openness and transparency

11. This report will be published on Audit Scotland's website www.audit-scotland.gov.uk.

Respective responsibilities of the auditor and Board of Management



Respective responsibilities of the auditor and Board of Management

Auditor responsibilities

Code of Audit Practice

12. The Code of Audit Practice outlines the responsibilities of external auditors appointed by the Auditor General for Scotland and it is a condition of our appointment that we follow it.

Our responsibilities

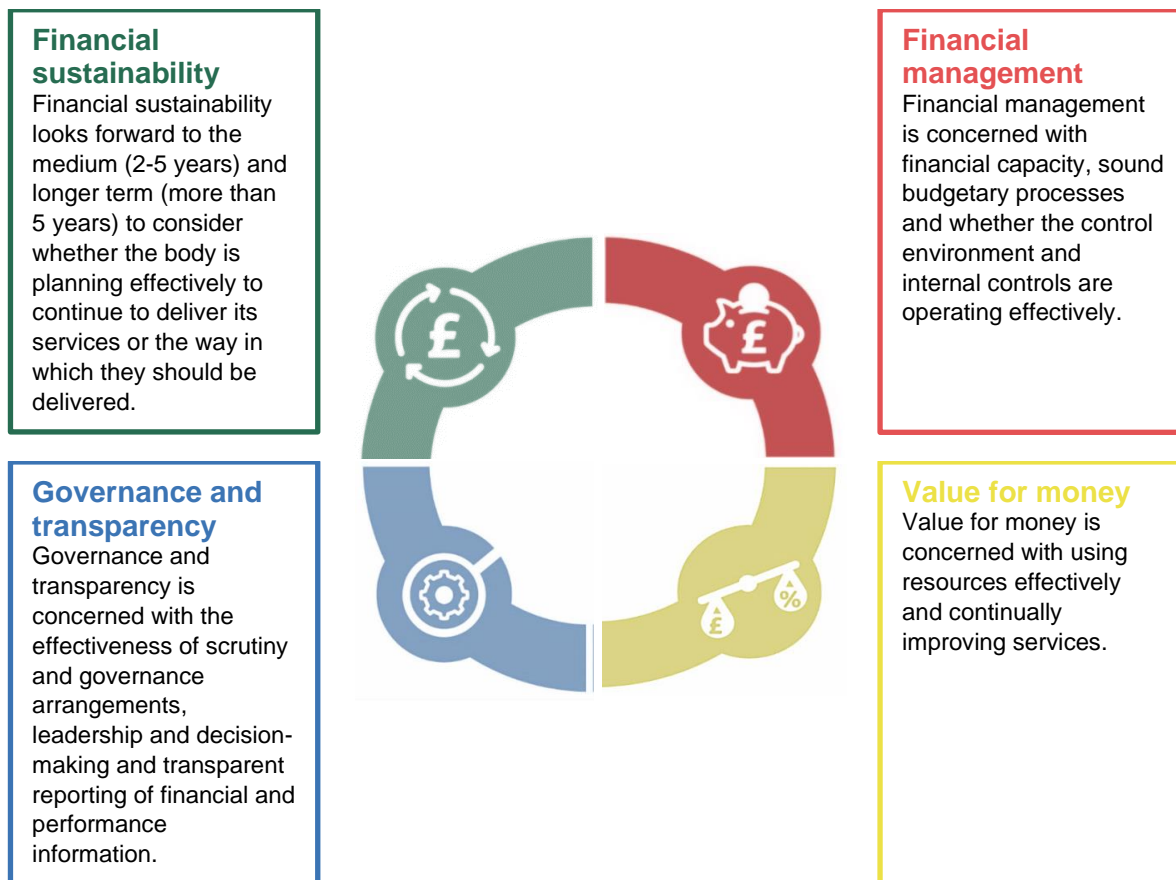
13. Auditor responsibilities are derived from statute, the Code of Audit Practice, International Standards on Auditing (UK), professional requirements and best practice. These are to:

- undertake statutory duties, and comply with professional engagement and ethical standards;
- provide an opinion on the financial statements and the regularity of transactions;
- review and report on, as appropriate, other information such as annual governance statements, management commentaries and remuneration reports;
- notify the Auditor General when circumstances indicate that a statutory report may be required; and
- demonstrate compliance with the wider scope of public audit.

Wider scope audit work

14. The special accountabilities that attach to the conduct of public business, and the use of public money, mean that public sector audits must be planned and undertaken from a wider perspective than in the private sector. This means providing assurance, not only on the financial statements, but on the appropriateness, effectiveness and impact of corporate governance and performance management arrangements and financial sustainability.
15. The Code of Audit Practice sets out four audit dimensions that frame the wider scope audit work into identifiable audit areas. These are summarised in Exhibit 1.

Exhibit 1: Audit dimensions within the Code of Audit Practice



16. Our assessment takes into account the size, nature and risks of the organisation. Taking these factors into consideration, we have concluded that application of the full wider scope is appropriate at the College.

Board of Management's responsibilities

17. The Board of Management has primary responsibility for ensuring the

proper financial stewardship of public funds, compliance with relevant legislation and establishing effective arrangements for governance, propriety and regularity that enable them to successfully deliver their objectives. The Board of Management's responsibilities are summarised in Exhibit 2.

Exhibit 2: Board of Management responsibilities

| Area | Board of Management's responsibilities |
|--|---|
| <p>Financial statements: Annual accounts containing financial statements and other related reports should be prepared.</p> | <p>The Board of Management has responsibility for:</p> <ul style="list-style-type: none"> • preparing financial statements which give a true and fair view of its financial position and its expenditure and income, in accordance with the applicable financial reporting framework and relevant legislation; • maintaining accounting records and working papers that have been prepared to an acceptable professional standard and that support their financial statements and related reports disclosures; • ensuring the regularity of transactions, by putting in place systems of internal control to ensure that they are in accordance with the appropriate authority; • maintaining proper accounting records; and • preparing and publishing, along with their financial statements, an annual governance statement, management commentary (or equivalent) and a remuneration report that are consistent with the disclosures made in the financial statements. |
| <p>Financial sustainability: Financial sustainability looks forward to the medium and longer term to consider whether the organisation is planning effectively to continue to fulfil its functions in an affordable and sustainable manner.</p> | <p>The Board of Management is responsible for putting in place proper arrangements to ensure the financial position is soundly based having regard to:</p> <ul style="list-style-type: none"> • such financial monitoring and reporting arrangements as may be specified; • compliance with any statutory financial requirements and achievement of financial targets; • balances and reserves, including strategies about levels and their future use; • how the organisation plans to deal with uncertainty in the medium and long term; and • the impact of planned future policies and foreseeable developments on the financial position. |

| Area | Board of Management's responsibilities |
|---|--|
| <p>Financial management: Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.</p> | <p>The Board of Management is responsible for ensuring that financial affairs are conducted in a proper manner. Management is responsible, with the oversight of those charged with governance, to communicate relevant information to users about the entity and its financial performance.</p> <p>The Board of Management is responsible for developing and implementing effective systems of internal control as well as financial, operational and compliance controls. These systems should support the achievement of their objectives and safeguard and secure value for money from the public funds at its disposal.</p> <p>The Board of Management is responsible for establishing arrangements to prevent and detect fraud, error and irregularities, bribery and corruption and also to ensure that its affairs are managed in accordance with proper standards of conduct by putting proper arrangements in place.</p> |
| <p>Governance and transparency: Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision making, and transparent reporting of financial and performance information.</p> | <p>The Board of Management is responsible for establishing arrangements to ensure the proper conduct of their affairs including the legality of activities and transactions, and for monitoring the adequacy and effectiveness of these arrangements. Those charged with governance should be involved in monitoring these arrangements.</p> <p>The Board of Management is also responsible for establishing effective and appropriate internal audit and risk management functions.</p> |
| <p>Value for money: Value for money is concerned with the appropriate use of resources and ensuring continual improvement of services delivered.</p> | <p>The Board of Management has a specific responsibility to ensure that arrangements have been made to secure best value. Audited bodies are responsible for ensuring that these matters are given due priority and resources, and that proper procedures are established and operate satisfactorily.</p> |

Audit strategy



Audit strategy

Risk-based audit approach

18. We follow a risk-based approach to audit planning that reflects our overall assessment of the relevant risks that apply to the College. This ensures

that our audit focuses on the areas of highest risk. Our audit planning is based on:

| | | |
|--|---|--|
| Discussions with senior officers | Our understanding of the further education sector, its key priorities and risks | Attendance at the Audit Committee |
| Guidance from Audit Scotland | Discussions with Audit Scotland and other sector auditors | Review of internal audit's plans and reports |
| Review of the College's corporate strategies and plans | Review of the College's corporate risk register | Outcomes of prior year audits |

19. Planning is a continuous process and our audit plans are therefore updated during the course of our audit to take account of developments as they arise.

Communication with those charged with governance

20. Auditing standards require us to make certain communications throughout the audit to those charged with governance. We have agreed with the College that these communications will be through the Audit Committee. The financial statements and our annual report will also be reported to the Board.

Professional standards and guidance

21. We perform our audit of the financial statements in accordance with International Standards on Auditing (UK (ISAs (UK))), the International Standard on Quality Control 1 (UK), Ethical Standards, and applicable Practice Notes and other guidance issued by the Financial Reporting Council (FRC).

Partnership working

22. We will coordinate our work with Audit Scotland, internal audit, other external auditors and relevant scrutiny bodies, recognising the increasing integration of service delivery and partnership working within the public sector.

Audit Scotland

23. Although we are independent of Audit Scotland and are responsible for forming our own views and opinions, we do work closely with Audit Scotland throughout the audit. This helps, for example, to identify common priorities and risks, treat consistently any issues arising that impact on a number of audited bodies, and further develop an efficient and effective approach to public audit. We will share information about identified risks, good practices and barriers to improvement so that lessons to be learnt and knowledge of what works can be disseminated to all relevant bodies.
24. Audit Scotland undertakes national performance audits on issues affecting the public sector. We may review the College's arrangements for taking action on any issues reported in the national performance reports which may have a local impact. We also consider the extent to which the Board uses the national performance reports as a means to help improve performance at the local level.
25. During the year we may also be required to provide information to Audit Scotland to support the national performance audits or provide information to support the assessment of the impact of specified published performance audit reports.

Internal Audit

26. We will consider the work of internal audit within our audit process and look to minimise duplication of effort, to ensure the total audit resource to the College is used as efficiently and effectively as possible.

COVID-19 – impact on our 2020/21 audit strategy

27. The COVID-19 pandemic has had, and continues to have, a significant and profound effect on every aspect of Scottish society.
28. We appreciate that organisations have been impacted differently by COVID-19, as have finance teams, and some organisations are better set up for remote working. We also know that plans can change quickly and it only takes the absence of one key member of staff from a finance team to have a big impact. Equally our own teams may also be impacted by the pandemic. The wellbeing of our clients and our staff is paramount. Maintaining a pragmatic and flexible approach will enable change at short notice as new issues emerge, or current risks change in significance.

Remote working

29. As we do not know when the current restrictions will end, we are planning to carry out our 2020/21 audit remotely. As in 2019/20 we have the following arrangements in place:
 - all of our people have the equipment, technology and systems to allow them to work remotely, including secure access to all necessary data and information;
 - all of our staff are fully contactable by email, phone call and video-conferencing;
 - all meetings are now held over Skype, Microsoft Teams or by telephone; and
 - we are keeping all of our staff fully up to date with the latest government guidance in order to

keep everyone as safe as possible.

30. If resourcing levels in any part of our business are compromised due to illness or inability to work, we will refocus our teams as necessary to deliver to deadlines. Our teams are holding regular catch ups to allow us to re-prioritise workloads as necessary.

Secure sharing of information

31. We use a cloud-based file sharing service that enables users to exchange documents easily and securely.

Audit evidence

32. Working remotely does unfortunately result in the audit team requesting audit evidence which we would have previously obtained through other means (for example, face to face meetings or access to systems and client premises).
33. Where required, we will consider other ways in which we can obtain audit evidence or carry out alternative audit procedures.
34. We will employ greater use of technology to examine evidence, but only where we have assessed both the sufficiency and appropriateness of the audit evidence produced.

Regular contact

35. During the 'fieldwork' phase of our audit, we will look to agree regular catch-ups with key personnel to discuss the progress of the audit. The frequency of these meetings will be discussed and agreed with management.

Audit reporting

36. It may be that the current circumstances lead to more modified opinions in auditor's reports than would typically have been the case in previous years. This has included, for example, the recognition of a material uncertainty around asset valuation in response to the COVID-19 pandemic.
37. Where necessary, we will engage with the Audit Committee to explain the implications of our proposed report and consider whether there are other procedures that could be undertaken, which could mitigate any modification either fully or in part.
38. Sufficient time should be set aside by the Audit Committee to allow for comprehensive, complete and informed communication with the auditor. This will need to take account of the potential for extended communication to explain any modified audit reports, or to report any higher than expected deficiencies or misstatements, that may result from the current circumstances.
39. Audit Scotland uses a system for electronic signatures (DocuSign) that it recommends all bodies use for signing annual accounts. Annual accounts signed electronically are acceptable for laying in Parliament.
40. Electronic signatures simplify the process of signing the accounts. Accounts can be signed using any device from any location. There is no longer a need for duplicate copies to be signed, thus reducing the risk of missing a signature and all signatories have immediate access to a high quality PDF version of the accounts.
41. We again propose using DocuSign in 2020/21.

Annual report and accounts



Annual report and accounts

Introduction

42. Audited bodies' annual accounts are an essential part of accounting for their stewardship of the resources made available to them and their financial performance in the use of those resources. This section sets out our approach to the audit of the College's annual report and accounts.
43. The annual report and accounts comprise the financial statements, the performance report and the accountability report.

Approach to audit of the financial statements

44. Our opinion on the financial statements will be based on:

Risk-based audit planning

45. We focus our work on the areas of highest risk. As part of our planning process we prepare a risk assessment highlighting the audit risks relating to each of the key systems on which the financial statements will be based.

An audit of key systems and internal controls

46. We evaluate the key accounting systems and internal controls and determine whether they are adequate to prevent material misstatements in the financial statements.
47. The systems we review and the nature of the work we perform will be based on the initial risk assessment. We will examine and test compliance with best practice and the College's own policies and procedures.

48. We will consider any relevant internal audit reviews of systems and controls.

49. Since the start of the pandemic, the risk of fraud and error has increased as the control environment and internal controls change. Potential areas of risk include:

- public sector staff working under increased pressure leading to some internal controls being suspended or relaxed;
- procurement fraud or normal controls being relaxed to allow bodies to buy goods or services which are required urgently, possibly from new suppliers;
- weakened governance arrangements;
- admin and finance staff being redeployed to operational areas; and
- staff working remotely may pose potential security risks, e.g. when using personal devices and/or using removable devices to download data.

50. We will update the risk assessment following our evaluation of systems and controls, considering the impact the pandemic has had on the College's accounting systems and controls. This will ensure that we continue to focus attention on the areas of highest risk.

51. This work is not for the purpose of expressing an opinion on the effectiveness of internal controls. We will report to the Audit Committee significant deficiencies in internal controls that we identify during the audit. These matters will be limited to those which we conclude are of

sufficient importance to merit being reported. The scope of our work is not designed to be an extensive review of all internal controls.

Prevention and detection of fraud or error

52. We plan our audit in such a way as to obtain reasonable assurance of detecting material misstatements in the financial statements resulting from fraud or error.
53. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
54. We will assess the susceptibility of the College's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
 - considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.
55. Our work as auditor is not intended to identify any instances of fraud of a non-material nature and should not be relied upon for this purpose. Material misstatements that arise due to fraud can be harder to detect than those that

arise from error as they may involve deliberate concealment or collusion.

Laws and regulations

56. We plan and perform our audit recognising that non-compliance with statute or regulations may materially impact the financial statements. Our audit procedures include the following:
- identification of the laws and regulations applicable to the College through enquiries with management, and from our knowledge and experience of the College and sector;
 - a focus on specific laws and regulations which we consider may have a direct material effect on the financial statements or the operations of the College;
 - reviewing minutes of relevant meetings;
 - enquiring of management and the College's legal representatives the position in relation to litigation, claims and assessments; and
 - performing detailed testing of transactions and balances.
57. There are however inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

A final audit of the financial statements

58. During our final audit we will test and review the material amounts and disclosures in the financial statements. The extent of testing will be based on our risk assessment.
59. Our final audit will seek to provide reasonable assurance that the

financial statements are free from material misstatement and comply with the Statement of Recommended Practice: Accounting for Further and Higher Education (the SORP), HM Treasury Financial Reporting Manual 2020/21 (FReM) and the Scottish Funding Council's (SFC) Accounts Direction.

60. In order to provide assurance on the regularity of transactions, we also review whether, in all material respects, expenditure has been incurred and income applied in accordance with guidance issued by Scottish Ministers.

Independent auditor's report

61. Our opinion on whether the financial statements give a true and fair view of the financial position and net expenditure and of the regularity of transactions will be set out in our independent auditor's report which will be included in the annual report and accounts.
62. We also provide an opinion on the audited part of the remuneration and staff report, annual governance statement and performance report.

Materiality

63. Materiality is an expression of the relative significance of a matter in the context of the financial statements as a whole. A matter is material if its omission or misstatement would reasonably influence the decisions of an addressee of the auditor's report. The assessment of what is material is a matter of professional judgement over both the amount and the nature of the misstatement. We review our assessment of materiality throughout our audit.

64. Performance materiality is the working level of materiality used throughout the audit. We use performance materiality to determine the nature, timing and extent of audit procedures carried out. We perform audit procedures on all transactions, or group of transactions, and balances that exceed our performance materiality. This means that we perform a greater level of testing on the areas deemed to be at significant risk of material misstatement.
65. Performance materiality is set at a value less than overall materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of the uncorrected and undetected misstatements exceeds overall materiality.

| | Materiality £'000 |
|---|----------------------|
| Overall materiality: Our initial assessment is based on approximately 1.8% of the College's 2019/20 expenditure, which is considered one of the principal considerations for users of the financial statements when assessing performance. | 950 |
| Performance materiality: using our professional judgement we have calculated performance materiality at approximately 75% of overall materiality. | 713 |

66. We will report any misstatements identified through our audit that fall into one of the following categories:

- all material corrected misstatements;
- uncorrected misstatement with a value in excess of 5% of the overall materiality figure; and
- other misstatements below the 5% threshold that we believe warrant reporting on qualitative grounds.


Key audit risks in the financial statements

67. Auditing standards require that we inform the Audit Committee of our assessment of the risk of material misstatement in the financial statements. We have set out our initial assessment below, including how the scope of our audit responds to those risks. We will provide an update to the Audit Committee if our assessment changes significantly during the audit.

Exhibit 3 – Key audit risks in the financial statements

Management override


In any organisation, there exists a risk that management have the ability to process transactions or make adjustments to the financial records outside the normal financial control processes. Such issues could lead to a material misstatement in the financial statements. This is treated as a presumed risk area in accordance with ISA (UK) 240 - *The auditor's responsibilities relating to fraud in an audit of financial statements*.



68. In response to this risk we will review the College's accounting records and obtain evidence to ensure that any significant transactions outside the normal course of business were valid and accounted for correctly. We will adopt data analytics techniques to review and test aspects of this significant risk. We will assess whether judgements and assumptions made by management in determining accounting estimates as set out in the financial statements are indicative of potential bias.


Revenue recognition

Under ISA (UK) 240 - *The auditor's responsibilities relating to fraud in an audit of financial statements* there is a presumed risk of fraud in relation to revenue recognition. The presumption is that the College could adopt accounting policies or recognise income and expenditure transactions in such a way as to lead to a material misstatement in the reported financial position.

- 
- 69. As part of our planning process we have considered the nature of the revenue streams at the College against the risk factors set out in ISA (UK) 240. We have identified that for SFC grant funding the risk of revenue recognition can be rebutted due to a lack of incentive and opportunity to manipulate revenue of this nature. We have concluded, however, the risk of fraud in relation to revenue recognition is present in all other income streams.
 - 70. We will review and evaluate each material revenue stream, including the controls over revenue accounting. We will conduct substantive testing on all material revenue streams to confirm revenue has been recognised appropriately and in line with accounting policies.

Risk of fraud in the recognition of expenditure


As most public sector bodies are net spending bodies, the risk of fraud is more likely to occur in expenditure. There is an increased risk that expenditure may be misstated due to improper recognition of expenditure, resulting in a material misstatement in the financial statements.

- 
- 71. In response to this risk we will evaluate the significant non-pay expenditure streams and review the controls in place over accounting for expenditure. (Payroll is subject to separate tailored testing). We will consider the College's key areas of expenditure and obtain evidence that the expenditure was recorded in line with appropriate accounting policies and the policies have been applied consistently across the year. We will review accruals around the year end to consider if there is any indication of understatement of balances held through consideration of accounting estimates.

Pension assumptions (significant accounting estimate)

An actuarial estimate of the pension fund asset/liability is calculated on an annual basis under FRS 102 and on a triennial funding basis by an independent firm of actuaries with specialist knowledge and experience. The estimates are based on the most up to date membership date held by the pension fund and have regard to local factors such as mortality rates and expected pay rises with other assumptions around inflation when calculating the liabilities.


There is a risk that the assumptions used to inform this estimate are not appropriate, resulting in an increased risk of material misstatement in the financial statements.

- 
72. We will review the controls in place to ensure that the data provided from the pension fund to the actuary is complete and accurate. We will review the reasonableness of the assumptions used in the calculation against other local government pension fund actuaries and other observable data. We will agree the disclosures in the financial statements to information provided by the actuary.

Estates valuation (significant accounting estimate)

The College holds a significant portfolio of land and buildings, with net book value of £171.7 million as at 31 July 2020. In accordance with its accounting policies, the College measures these assets at fair value through a programme of professional valuations, with the latest independent review completed at 31 July 2019. Due to the specialised nature of the buildings, the carrying value of assets is based on a range of estimates, with any small changes in estimates having the potential to result in a material change in asset valuation.

The College's Cardonald campus is likely to require investment in the forthcoming years to ensure the College remains fit for purpose. The College should continue to review whether its campus, in particular Cardonald may be impaired. This review should consider internal and external impairment indicators in accordance with Financial Reporting Standard (FRS) 102.

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73. We will review the arrangements in place in relation to the accounting for these developments. We will review the reasonableness of the treatment, any related assumptions, the use of any experts, and any

other observable data. We will agree the disclosures in the financial statements to information provided and underlying nature of the transactions and balances.

74. We will ensure that assets are recorded in line with the FReM, Accounts Direction and the College's accounting policies, and have been accounted for appropriately. We will review asset valuations and ensure that the College has completed a recent assessment for impairment across its estate. This will include looking to ensure there is professional advice and appropriate assurance over any impact of COVID-19.
 75. Where professional advice has been sought, we will consider the competence, capability and objectiveness of the external valuer in line with ISA 500 (UK). We will review the valuation report for 2020/21 and consider assumptions used by the valuer against external sources of evidence. In addition, we will consider the scope of the valuer's work and the information provided to the valuer for completeness.
-

Other risk factors

Impact of COVID-19 on the financial statements

76. Further to the identification of significant audit risks, we also continue to monitor the impact COVID-19 could have on the financial statements. This includes consideration of non-routine transactions and impact on properties valuations. COVID-19 continues to present unprecedented challenges to the operation, financial management and governance of organisations, including public sector bodies. It is uncertain how long these challenges will persist.
77. We continue to monitor government and relevant announcements as they pertain to the audit and will adapt our audit approach as required.

Key accounting estimates

78. Changes to ISA (UK) 540 – Auditing Accounting Estimates and Related Disclosures, which is applicable for accounting periods beginning on or after 15 December 2019, places increased regulatory requirements on the auditor in respect of the auditing of significant estimates at the planning and completion stages of the audit.
79. As part of the planning stages of the audit we identified all accounting estimates made by management and determined which of those are key to the overall financial statements. Consideration was given to asset valuations, impairment, depreciation and amortisation rates, pension liability, provisions for doubtful debts, and accruals. Other than pension liability, asset valuation and

impairment we have not determined the accounting estimates to be significant. We will however revisit our assessment during the fieldwork and completion stages of our audit.

The performance report, accountability report and other information

80. The HM Treasury Government Financial Reporting Manual 2020/21 sets out the content required within the annual report and accounts. In response to the continuing impact of COVID-19, HM Treasury has issued an addendum to the Government Financial Reporting Manual 2020-21 which sets out the minimum reporting requirements in respect of the performance report and accountability report.
81. The addendum permits, but does not require, bodies to omit the performance analysis section from the Performance Report. Where relevant performance information has already been published elsewhere, bodies are encouraged to refer to the relevant publication.
82. Where unaudited information otherwise required to be included in the Accountability Report is already published elsewhere, bodies are permitted to refer to the relevant publication rather than including the information in their Accountability Report.
83. In addition to presenting our opinions over the financial statements our independent auditor's report will also present our opinion on the other aspects of the annual report and accounts.

Other information

84. “Other information” in the annual report and accounts comprises any information other than the financial statements and our independent auditor’s report thereon. We do not express any form of assurance conclusion on the “other information” except as specifically stated below.
85. We read all the financial and non-financial information in the annual report and accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our independent auditor’s report.

the entity’s governance structures and how they support the achievement of the entity’s objectives;

- a remuneration and staff report setting out staff numbers and costs as well as the entity’s remuneration policy for directors and the remuneration awarded to directors; and
- a parliamentary accountability report disclosing the regularity of expenditure and other parliamentary accountability requirements.

88. Our independent auditor’s report will confirm whether in our opinion the governance statement and the audited part of the remuneration and staff report have been properly prepared and are consistent with the financial statements.

The performance report

86. The performance report provides information on the entity, its main objectives and strategies and the principal risks that it faces. Our independent auditor’s report will confirm whether in our opinion the performance report has been properly prepared and is consistent with the financial statements.

The accountability report

87. The accountability report is required in order to meet key parliamentary accountability requirements. It has three sections:
- a corporate governance report (including a governance statement) explaining the composition and organisation of

Wider scope audit



Wider scope audit

Introduction

89. As described above, the Code of Audit Practice frames a significant part of our audit responsibilities in terms of four wider scope audit dimensions. As part of our annual audit we consider and report against these four dimensions:
- financial sustainability;
 - financial management;
 - governance and transparency; and
 - value for money.
90. Our planned audit work against the four dimensions is risk based and proportionate. Our initial assessment builds upon our work in prior years to develop an understanding of the College which we have developed from previous years, along with discussions with management and review of committee minutes and key strategy documents.
91. The risk profile of public bodies for the 2020/21 audit is significantly affected by the COVID-19 pandemic. The pandemic has highlighted the importance of many long-standing issues facing public sector bodies such as the need for good governance, openness and transparency, and effective longer-term planning to deliver better outcomes. The risks and challenges associated with these issues have become greater due to the pandemic.
92. In 2020/21, Audit Scotland has requested that external auditors focus on risks relating to governance and transparency, financial sustainability and counter-fraud arrangements in light of COVID-19. We will consider these risk areas in the context of our wider scope audit work and include commentary in our annual audit report as appropriate.
93. At this stage, we have identified one significant risk to the wider scope of our audit (Exhibit 4). Audit planning is a continuous process and we will report any other identified significant risks, as they relate to the four dimensions, in our annual audit report.

Exhibit 4 – Wider scope significant risks

Financial sustainability

The College continues to face significant challenges, with ongoing effort and activity to reach a long term sustainable position. The 2020/21 Financial Forecast Return outlined a savings requirement of £4.260 million over the three-year period from 2020/21 to 2022/23.


In March 2021, the SFC announced additional funding for colleges for 2020/21 and as a result the College has received £0.997 million of the funding. Currently, the College estimates that it will achieve a break-even or small surplus position at the year-end, against the previously planned deficit of £0.260 million.

The College has a savings target of £1.150 million in 2020/21 and is progressing with its voluntary severance scheme implementation to meet the target. The first tranche of the voluntary severance applications was reviewed in March 2021 and decisions on those applications were made accordingly.

Reducing staff costs is a key aspect of the College's ambitious savings plan and workforce planning should therefore be a key aspect in providing strategic direction and supporting delivery of these savings targets in a way that does not significantly impact service delivery.

The College has also secured up to £1.8 million (2020/21) and up £0.5 million (2021/22) from Glasgow Clyde Education Foundation (GCEF). This additional funding will provide a financial bridge to support some service cost areas in the first two years of the financial plan. The funding is to be used as defined by GCEF's charitable objectives, for example, to sustain key services for students.

Work is ongoing to prepare the 2021/22 budget and update medium term financial plans, reflecting on the continued impact the COVID-19 pandemic has on service delivery and financial forecasts.

- 
94. During our audit we will continue to review whether the College has appropriate arrangements in place to manage its financial position and use of resources. Our work will include an assessment of progress made in developing financially sustainable plans which reflect the medium and longer term impact of COVID-19 and that continue to support the delivery of the College's statutory functions and strategic objectives. Our conclusion will be based on a review of the College's financial performance, underlying financial position, financial and operational plans, financial reporting and performance against savings targets.

Audit outputs, timetables and fees



Audit outputs, timetable and fees

Audit outputs

We have set out below target months which align to the Board of Management's 2021 schedule of Audit Committee and Board meetings. We will aim to meet these scheduled meetings however this will be monitored during the audit process and may require to be revised to reflect emerging issues as a result of the pandemic.

| Audit output | Description | Target month | Deadline for submission to Audit Scotland |
|---|--|---------------|---|
| External audit plan | This report sets out the scope of our audit for 2020/21. | May 2021 | 30 June 2021 |
| Independent Auditor's Report | This report will contain our opinion on the financial statements, the audited part of the remuneration report, annual governance statement and management commentary. | December 2021 | 31 December 2021 |
| Annual Report to the Board and the Auditor General for Scotland | At the conclusion of each year's audit we issue an annual report setting out the nature and extent of our audit work for the year and summarise our opinions, conclusions and the significant issues arising from our work. This report pulls together all of our work under the Code of Audit Practice. | December 2021 | 31 December 2021 |

95. Prior to submitting our outputs, we will discuss all issues with management to confirm factual accuracy and agree a draft action plan where appropriate.
96. The action plans within the reports will include prioritised recommendations, responsible officers and implementation dates. We will review progress against the action plans on a regular basis.

Audit fee

97. Audit Scotland sets an expected audit fee that assumes the body has sound governance arrangements in place, has been operating effectively throughout the year, prepares comprehensive and accurate draft accounts and meets the agreed timetable for audit. The expected fee is reviewed by Audit Scotland each year and adjusted if necessary based

on auditors' experience, new requirements, or significant changes to the audited body.

98. As auditors we negotiate a fee with the audited body during the planning process. The fee may be varied above the expected fee level by up to 20% to reflect the circumstances and local risks within the body.
99. For 2020/21 we propose setting the audit fee at 7% above the expected fee level. This reflects the level of work we consider is required in response to the key audit risks identified, particularly the additional work required to conclude on key accounting estimates and reflect on the impact of COVID-19 on the College's operating and control environment. In 2019/20, the fee was set at 5% above the expected fee level.

| | 2020/21 | 2019/20 |
|--------------------------------------|----------------|----------------|
| Auditor remuneration | £36,800 | £34,700 |
| Pooled costs | £2,200 | £1,890 |
| Contribution to Audit Scotland costs | £1,440 | £1,800 |
| Total fee | £40,440 | £38,390 |

100. We will take account of the risk exposure of the College and the management assurances in place. We assume receipt of the draft working papers at the outset of our on-site final audit visit. If the draft accounts and papers are late, or agreed management assurances are unavailable, we reserve the right to charge an additional fee for additional audit work. An additional fee will be required in relation to any other significant exercises not within our planned audit activity.

Audit timetable

101. A summary timetable, including audit outputs, is set out as follows:

| | | |
|---------------|---|---|
| APR 21 | ● | Planning meeting to inform the 2020/21 audit |
| MAY 21 | ● | Presentation of External Audit Plan to the Audit Committee |
| OCT 21 | ● | Accounts presented for audit and final audit visit begins |
| NOV 21 | ● | Presentation of annual Report on the Audit to the Audit Committee |

Appendices



Appendix 1: Azets

On 7 September 2020, the CogitalGroup of companies (Scott-Moncrieff, Campbell Dallas, Baldwins and Wilkins Kennedy) came together as Azets. Whilst it is a new name, we still deliver the same personal approach to accounting, tax, audit, advisory and business services, digitally and locally.

With over 6,500 advisers and specialists across our office network, we help people and organisations of all shapes and sizes save time, work smarter and achieve their goals. Our job is to give you the support you need so you can focus on what you do best.

We have been external auditors within the public sector for at least fifty years. We provide a comprehensive range of services to clients across the public sector, including NHS bodies, local authorities, central government bodies and FE colleges. We also provide services to charities, schools, as well as private and public limited companies.

Gary Devlin

Engagement Lead

gary.devlin@azets.co.uk



Gary is responsible for Scott-Moncrieff's work in the public sector and further and higher education sectors. He has over 20 years' experience in providing audit, assurance and advisory services to a wide range of clients and is an expert on governance and risk reviews in the public, charity and education sectors.

Gary's experience spans internal audit, external audit and risk management services and he is the partner in charge of a range of our HE and FE internal and external audit appointments. Gary is the appointed auditor to Glasgow Clyde College, Glasgow Kelvin College, the City of Glasgow College and the Glasgow Colleges' Regional Board.

Adrian Kolodziej

Senior Manager

adrian.kolodziej@azets.co.uk

Adrian will manage the delivery of the onsite work and work alongside Gary to deliver the audit engagement. Adrian has over 12 years of public sector experience performing the external audits of central government bodies, local authorities and health bodies. He also has experience in higher education and commercial external audits.

Appendix 2: Confirmation of independence

International Standard on Auditing (UK) 260 "Communication with those charged with governance" and the Revised Ethical Standard 2019 requires us to communicate on a timely basis all facts and matters that may have a bearing on our independence.

In particular, FRC's Ethical Standards stipulate that where an auditor undertakes non audit work, appropriate safeguards must be applied to reduce or eliminate any threats to independence. Azets has not been appointed by the College to provide any non-audit services during the year.

We confirm that we comply with FRC's Ethical Standards. In our professional judgement, the audit process is independent and our objectivity has not been compromised in any way. In particular there are and have been no relationships between Azets and the College, its Board members and senior management that may reasonably be thought to bear on our objectivity and independence.

Appendix 3: Statement of understanding

Introduction

The purpose of this statement of understanding is to clarify the terms of our appointment and the key responsibilities of the College's Board of Management and Azets.

Annual report and financial statements

We require the annual report and financial statements and supporting working papers for audit by the agreed date specified in the audit timetable. It is assumed that the relevant College staff will have adequate time available to deal with audit queries and will be available up to the expected time of completion of the audit. We will issue a financial statements strategy in advance of our final audit visit which sets out our expectations in terms of audit deliverables. This document helps to ensure we can work together to deliver an efficient and effective audit.

Fees

We base our agreed fee upon the assumption that all of the required information for the audit is available within the agreed timetable. If the information is not available within the timetable we reserve the right to charge a fee for the additional time spent by our staff. The fee will depend upon the level of skill and responsibility of the staff involved. The indicative financial statements strategy referred to above is a key means for us to clarify our expectations in terms of quality, quantity and extent of working papers and supporting documentation.

Representations

As auditors we do not act as a substitute for the College's responsibility to establish proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively.

As part of our normal audit procedures, we will ask you to provide written confirmation of certain oral representations which we have received from the College during the course of the audit on matters having a material effect on the financial statements. This will take place by means of a letter of representation, which will require to be signed by the Principal.

Internal audit

It is the responsibility of the College to establish adequate internal audit arrangements. The audit fee is agreed on the basis that an effective internal audit function exists.

We will liaise with internal audit to ensure an efficient audit process.

Fraud and irregularity

In order to discharge our responsibilities regarding fraud and irregularity we require any fraud or irregularity issues to be reported to us as they arise. In particular we require to be notified of all frauds which:

- Involve the misappropriation of theft of assets or cash which are facilitated by weaknesses in internal control
- Are over £5,000

We also require a historic record of instances of fraud or irregularity to be maintained and a summary to be made available to us after each year end.

Anti-money laundering

The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 impose an obligation on the Auditor General to inform the National Crime Agency (NCA) if he knows or suspects that any person has engaged in money laundering or terrorist financing.

We require the Board to notify us on a timely basis of any suspected instances of money laundering so that we can inform Audit Scotland who will determine the necessary course of action.

Ethics

We are bound by the ethical guidelines of our professional body, the Institute of Chartered Accountants in England and Wales and the Code of Audit Practice.

Service

If at any time you would like to discuss with us how our service to you could be improved or if you are dissatisfied with the

service you are receiving please let us know by contacting Gary Devlin. If you are not satisfied, you should contact our Ethics Partner, Bernadette Higgins. In the event of your not being satisfied by our response, you may also wish to bring the matter to the attention of the Institute of Chartered Accountants in England and Wales.

We undertake to look at any complaint carefully and promptly and to do all we can to explain the position to you.

Reports

During the course of the audit we will produce reports detailing the results and conclusions from our work.

Any recommendations arising from our audit work will be included in an action plan. Management are responsible for providing responses, including target dates for implementation and details of the responsible officer.

Agreement of terms

We shall be grateful if the Audit Committee would consider and note this statement of understanding. If the contents are not in accordance with your understanding of our terms of appointment, please let us know.

AUDIT COMMITTEE

| | |
|---------------------|---|
| Date of Meeting | 26 May 2021 |
| Paper Title | College Strategic Risk Register |
| Agenda Item | 21.21 |
| Paper Number | 21.21A |
| Responsible Officer | Janet Thomson, Vice Principal Resources and College Development |
| Status | Disclosable |
| Action | For Discussion |

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 20th May 2021.

4.0 UPDATES TO THE RISK REGISTER SINCE LAST REPORT TO COMMITTEE

- 4.1 The changes since last reported to the Board in March are highlighted in red and further detail on the reasons for any changes are given in the following paragraphs. Also as requested at the last Audit Committee meeting the Register has been reviewed to take account of long term and short term actions and these are the mitigating actions are now listed under these headings for each risk.
- 4.2 Risk F3 which is **Failure to reduce College cost base on managed basis to meet requirements of the three year financial forecast** has been changed with the risk score having been amended to likelihood of 3 reduced from previously a likelihood of 4. The impact remains the same at 5 hence the overall score of the risk is now 15 where it previously was 20. The reason for reducing the likelihood score is that there has been significant progress on reducing the staff cost base for the future with the implementation of the

voluntary severance scheme across the College which will reduce staff costs from August 2021 plus there been staff costs and non-staff costs savings in year, with the overall target for the financial forecast anticipated to be achieved.

- 4.3 Also, for risk F3 a new mitigating action of “Five Year Financial Plan 2021/22 to 2025/26 being prepared” has been added as the future financial plans are now being prepared based on the updated information as now known and it is anticipated that the College will be able to have at least a balanced budget for 2021/22. There are also some minor updates to other mitigating actions.
- 4.4 Risk F4 **Adverse Funding changes in 2020/21(SFC/SDS/ ESF) and future years** has been amended with the heading of the risk being expanded to add future years given that it is now nearing the end of 2020/21 and the funding for that year is finalised. Also there were additional funds allocated late in the 2020/21 year so in fact the SFC funding has increased from initial allocations. A mitigating action has been added which is “Indicative funding allocations for 2021/22 have been provided and being discussed” as the College is now in the process of discussing next year’s funding which has been indicatively allocated to the Region and in turn to the Glasgow Colleges with a final allocation expected shortly. In addition, the timing of this risk has been amended from short to medium given that the risk is now being considered beyond 2020/21.
- 4.5 Risk O2 **Failure to achieve acceptably high standard quality of teaching delivery and support for students and suitable student experience** has an amended score where the likelihood has been reduced from a 4 to a 3. The impact remains scored at 4 hence the overall score for the risk is now 12, rather than the previous score of 16. This score has been reduced as the College has now moved significantly forward with the implementation of digital learning and teaching resources and has received positive feedback from students during 2020/21 on the support provided by lecturing staff.
- 4.6 Risk O3b **Negative impact on employee relations at a local College level (e.g. local consultation)** has an amended score with the impact score reduced from a 5 to a 4. The likelihood remains at a 3 hence the overall risk score has been amended from 15 to 12. This score has been amended to reflect the significant ongoing discussion with the unions locally which is believed reduces the likelihood of this risk e.g. regular safe return to work meetings, academic management restructure discussions.
- 4.7 Risk O6 **Failure to achieve a sustainable fit for purpose College estate** has some very minor amendments to the narrative in the mitigating actions.

- 4.8 Risk G3 **Failure to recruit, train and retain an appropriately experienced Board of Management** has a new mitigating action added which is Recruitment of new Board members to consider diversity of membership (e.g. gender and ethnic background). This is to reflect discussions at the Organisational Development Committee following consideration of the recent draft Equality Mainstreaming Report at their May meeting.

5 RISK ANALYSIS

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

6 LEGAL IMPLICATIONS/FINANCIAL IMPLICATIONS/REGIONAL OUTCOME AGREEMENT IMPLICATIONS

- 6.1 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.

7 HAS AN EQUALITY IMPACT ASSESSMENT BEEN CARRIED OUT?

- 7.1 N/A

| GLASGOW CLYDE COLLEGE - STRATEGIC RISK REGISTER | | | | | | | | | | | | | | 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, FWDF = Flexible Workforce Development Fund, VLE = Virtual Learning Environment, DELTA project = Delivering Excellence in Learning, Teaching and Assessment, VPN = Virtual Private Network | | | | | | | | | | as at 20th May 2021 | | | |
|---|---|---|---|--|---------------------------------|--------|------------|--|-------------|--------|------------|---------------------------------------|---|--|--|--|--|--------------------------------|--|--|--|--|--|---------------------|--|--|--|
| | | | | | Score Before Mitigating Actions | | | | | | | | | | | | | Score After Mitigating Actions | | | | | | | | | |
| Risk Ref | 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 | Short term i) Revised commercial income/surplus plan now for 2020/21 and plan to rebuild for future years by each sector area based on medium and long term impacts following COVID 19 virus. ii) FWDF key element of total activity and increased level during 2020/21 iii) Greater use of digital marketing to promote course areas as effectively as possible Long Term iv) 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 from COVID through 2020/21 at least. v) Pipeline of activity being re-established as much as possible based on on-line or on-site delivery vi) Costing templates completed for all commercial activity. In year staff costs transfers of permanent staff costs. vii) Increased engagement and marketing effort during 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 | 4 | 5 | 20 | F1 | Short | 20 | No change | | | | | | | | | | | | |
| F2 | 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 | Short Term i) Regular analysis and reporting of progress against SFC credits target for teaching delivery which is discussed at each Senior Leadership Team and Curriculum Assistant Principals meetings. ii) Focussed support for students to deliver student experience and to ensure stated teaching activity targets are met. iii) Closely monitor tuition fees income to assess potential COVID impacts on income Long Term iv) Annually plan and deliver portfolio to required quality standards, ensuring appropriate recruitment, and improved retention of students. v) 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 vi) Work closely with relevant partners to ensure programmes implemented as planned vii) Aim to ensure annually all relevant agency (e.g. SDS) milestones and documentation requirements achieved viii) 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 | F2 | Short | 16 | No change | | | | | | | | | | | | |
| F3 | 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 | Short Term i) Financial plan approved prepared for 2020/21 to 2022/33 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. Long Term iii) Process of review of all areas to seek cost reductions, as well as seeking further efficiency through improved business processes. iv) First staff restructure from October 2019 through use of VS scheme with required agreement with GCRB and SFC. v) Successful bid to GCEF for additional funding support from November 2020. vi) Discussion on future potential changes being taken forward including academic management restructure. vii) Zero based budgeting from 19/20 onwards for non-staff costs. viii) Five year financial plan from 2021/22 to 2025/26 being prepared. | 3 | 5 | 15 | F3 | Medium | 20 | Reducing | | | | | | | | | | | | |

| GLASGOW CLYDE COLLEGE - STRATEGIC RISK REGISTER | | | | | | | | 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, FWDF = Flexible Workforce Development Fund, VLE = Virtual Learning Environment, DELTA project = Delivering Excellence in Learning, Teaching and Assessment, VPN = Virtual Private Network | | as at 20th May 2021 | | | | | |
|---|--|---------------------------|---|----------------------------|---------------------------------|--------|------------|--|--------------------------------|---------------------|------------|---------------------------------------|---|--|--|
| | | | | | Score Before Mitigating Actions | | | | Score After Mitigating Actions | | | | | | |
| Risk Ref | 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 |
| F4 | Adverse Funding changes in 2020/21(SFC/SDS/ESF) and future years | Financial / COVID Impacts | Theme 5 - Financial Resilience through Operational Excellence | Principal/ Vice Principals | 4 | 5 | 20 | Short Term 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 blended/ on line activity where possible. ii) 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. iii) Indicative funding allocations for 2021/22 have been provided and being discussed Long Term iv) Continue to aim to inform and influence funding allocations through Principals' Forum, Glasgow Colleges Regional Board, MSPs, and other appropriate bodies. v) 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. vi) Projects progressed to address priority items as per College Capital masterplan based on affordability. | 3 | 4 | 12 | F4 | Medium Short | 12 | No change |

| GLASGOW CLYDE COLLEGE - STRATEGIC RISK REGISTER | | | | | | | | 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, FWDF = Flexible Workforce Development Fund, VLE = Virtual Learning Environment, DELTA project = Delivering Excellence in Learning, Teaching and Assessment, VPN = Virtual Private Network | as at 20th May 2021 | | | | | | | |
|---|---|---|---|--|---------------------------------|--------|------------|---|--------------------------------|--------|------------|---------------------------------------|---|--|--|--|
| | | | | | Score Before Mitigating Actions | | | | Score After Mitigating Actions | | | | | | | |
| Risk Ref | Risk Description | Risk Category | Link to Strategic Plan Themes | Risk Owner | Proba bility | Impact | Risk Score | Mitigating Actions | Probabili ty | 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 | |
| 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 | Short Term i) Monitoring systems in place across College and feedback from relevant staff. Any issues addressed as necessary and action taken. Plans ensure key systems security / performance not impacted during periods of financially challenging budget. Many systems/services cloud based and using VPN/remote desktop for staff to access systems while home working. Delivered laptops and wireless devices to staff and students who need them within the available resources levels. Long Term 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 with tape/offsite and cloud backups of critical systems. v) Member of HE/FE Shared Technology and Information Services (HEFESTIS) which provides support to secure against cyber attack and regular ICT network penetration testing undertaken by external bodies. vi) ICT backup procedures and Disaster Recovery planning. Cyber essentials+ status maintained. vii) Enterprise Malware detection and Web filtering technology and room based uninterruptable power supply in place with ICT climate monitoring facilities. viii) Fraud response plan in place | 4 | 4 | 16 | O1 | Medium | 16 | No Change | |
| O2 | 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 & Unrivalled Student Experience | Vice Principal - Curriculum & External Relations | 5 | 5 | 25 | Short Term i) Regular monitoring of teaching KPIs across relevant curriculum measures and actions implemented to develop improvement strategies . ii) Quality Assurance processes undertaken through annual cycle of activities including self evaluation, verification, feedback and audit. iii) Heads of Curriculum and Unit Managers monitor quality and delivery of service and implement actions for improvement. Extensive training on Teaching, Assessment and E learning ensure staff are updated and enabled to deliver a high quality learning experience. 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) Monitor feedback from student focus groups on student experience Long Term vi) Significant deployment of digital resources to learners in areas of need to enhance delivery of blended learning approaches as well as the enhanced use of the VLE vii) A range of student feedback mechanisms are used to gather and inform improvement activities to improve the wider student experience. Development of classroom observation protocol as intimated in national bargaining. viii) Collaboration between teaching and support teams to ensure improvements and efficiencies are delivered where possible across College business processes and to deliver quality of services. ix) The DELTA E-Learning project and Research & Development Programme support a significant number of staff through capacity building, training and mentoring focused on delivering effective learning & teaching. | 3 | 4 | 12 | O2 | Medium | 16 | Reducing | |
| O3a | Negative impact on employee relations at a National level (e.g. national bargaining, industrial action) | Organisational / Reputational | Theme 4 - Employer of Choice | Principal/ Assistant Principal HR | 4 | 5 | 20 | Short Term i) Focussed work with Trade Unions, specific and regular meetings with senior management, ensuring good flow of information, and ongoing communications on any national matters. Long Term ii) Representation made through Employers Association Group, Colleges Scotland, Principals Forum, and GCRB, within national bargaining process. iii) Emphasis being made nationally on imperative of financial sustainability and affordability issues particularly given increased staffing costs and challenges of the Glasgow Regional context. iv) Business continuity planning used to ensure all stakeholders appropriately communicated with in any potential industrial action. | 3 | 5 | 15 | O3a | Short | 15 | No change. | |

| GLASGOW CLYDE COLLEGE - STRATEGIC RISK REGISTER | | | | | | | | | | 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, FWDF = Flexible Workforce Development Fund, VLE = Virtual Learning Environment, DELTA project = Delivering Excellence in Learning, Teaching and Assessment, VPN = Virtual Private Network | | | | | | | | | | as at 20th May 2021 | | | |
|---|--|-------------------------------|---|---|---------------------------------|--------|------------|--|--------------------------------|--|------------|---------------------------------------|---|--|--|--|--|--|--|---------------------|--|--|--|
| | | | | | Score Before Mitigating Actions | | | | Score After Mitigating Actions | | | | | | | | | | | | | | |
| Risk Ref | 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 | | | | | | | | |
| O3b | Negative impact on employee relations at a local College level (e.g. local consultation) | Organisational / Reputational | Theme 4 - Employer of Choice | Principal/ Assistant Principal HR | 4 | 5 | 20 | Short Term 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 Long Term iv) Discussion with unions on impact on College financial sustainability and organisational impacts. v) Business continuity planning used to ensure all stakeholders appropriately communicated with in any potential industrial action. vi) Ensure transparency of College consultation process to maximise opportunities for enhanced communications with Trade Unions | 3 | 4 | 12 | O3b | Short | 15 | Reducing | | | | | | | | |
| O4 | Failure in any area of College data management processes | Organisational/ COVID impacts | Theme 5 - Financial Resilience through Operational Excellence | Vice Principal Resources & College Development & Vice Principal-Curriculum & External Relations | 4 | 5 | 20 | Short Term i) Ongoing monitoring by ICT of any potential systems being targetted ii) Multi Factor Authentication being rolled out across College staff Long Term iii) Key business systems and processes contain range of controls with agreed practices and staff training and communication on practices/guidelines. Role based user access restrictions in place. iv) Procedures and guidance in place including guide for staff on information and data security with a list of key do's and don'ts v) Data protection officer works closely with managers on any data protection matters. Clear procedures and guidelines in place including process for any potential data breaches. vi) Data privacy notices for the College in place and published and data sharing agreements with other organisations are established. vii) Document retention scheme in place for all key record types viii) Member of HE/FE Shared Technology and Information Services (HEFESTIS) which provides information on data management and any sectoral updates. ix) Homeworking guidance in place for staff x) External agencies assurance & audit processes review areas of data management and any recommendations followed up. | 3 | 4 | 12 | O4 | Medium | 12 | No change | | | | | | | | |
| 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 | Long Term 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. | 3 | 4 | 12 | g | Medium | 12 | No change | | | | | | | | |
| 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 | Short Term i) Need to plan within College very tight resources due to financially challenging budget and items will-be-rephased as required. ii) Monitor use of College estate as result of COVID impacts and updated cleaning regime in place. iii) Plans for projects for use of the estates high priority maintenance funding Long Term iv) Capital masterplan in place and related to need/estates condition survey. Funding for very high priority items allocated by GCRB to College. v) Work with GCRB and SFC to ensure fully informed of estates requirements. vi) Estates Strategy Review completed | 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 | Short Term i) Maintain open channels of communication with trade unions, college managers and their staff, and effective attendance management process in place. ii) Cover arranged as required for absence of key staff members. iii) Need to manage to retain appropriate staff through challenge of restructures Long Term iv) College Strategic Theme of Employer of choice with attractive overall terms and conditions e.g. pension schemes, flexible working. v) All new staff have an induction process and annual training programme undertaken. vi) Appropriate CPD provided for staff to meet identified skills gaps vii) 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. viii) Recruitment and retention of staff for a few skills areas remains challenging and College continues to use a range of approaches as appropriate. | 2 | 4 | 8 | O7 | Medium | 8 | No change | | | | | | | | |

| GLASGOW CLYDE COLLEGE - STRATEGIC RISK REGISTER | | | | | | | | | 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, FWDF = Flexible Workforce Development Fund, VLE = Virtual Learning Environment, DELTA project = Delivering Excellence in Learning, Teaching and Assessment, VPN = Virtual Private Network | | as at 20th May 2021 | | | | | | |
|---|---|---|---|-------------------------------|---------------------------------|--------|------------|---|--|--------|---------------------|---------------------------------------|---|--|--|--|--|
| | | | | | Score Before Mitigating Actions | | | | | | | | | | | | |
| Risk Ref | 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 | | |
| Governance Risks | | | | | | | | | | | | | | | | | |
| G1 | 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 | 4 | 5 | 20 | Short Term i) COVID related operating arrangements discussed at SLT. ii) Full review of Health and Safety Policy and Procedures being undertaken Long Term iii) 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. iv) Safeguarding officers and safeguarding forum on each campus v) Health and Safety Officers working across the three campuses and ensure annual cycle of health and safety audits are completed vi) Regular reporting on Health and Safety to Organisational Development Committee as part of their remit requirements | 2 | 5 | 10 | G1 | Short | 10 | No change | | |
| G2 | 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 | Short Term i) 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 ii) Ongoing engagement at Board and Senior Leadership Team level with the SFC Review Long Term iii) Work within roles, responsibilities and legal implications of Legislation and associated related guidance. iv) 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. v) Individual managers required to keep up to date with legislation relating to their areas and implement appropriate controls vi) Ensure Board have appropriate training on key guidance and legislation and take proactive role in ensuring meet all requirements. vii) Modern Slavery statement in place viii) Quality audit process in place and DELTA project delivering greater levels of blended learning with staff. Internal audit review process considers range of areas annually. ix) Seek legal advice as required. x) Data Protection Officer in place to advise on General Data Protection Regulation/ Data Protection matters. | 3 | 3 | 9 | G2 | Medium | 9 | 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 | Long Term 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) Recruitment of new Board members to consider diversity of membership (e.g. gender and ethnic background) iii) Annual self assessment for Board members and training provided as required. iv) Board effectiveness review completed. v) Induction provided for all new Board members. vi) Ensure Board undertake an ongoing programme of training to meet CPD needs. vii) Board member handbook in place and an annual review/update to be undertaken. | 2 | 3 | 6 | G3 | Medium | 6 | No change | | |

AUDIT COMMITTEE MEETING

| | |
|---------------------|------------------------|
| Date of Meeting | 26 May 2021 |
| Paper Title | Data Protection Report |
| Agenda Item | 21.23 |
| Paper Number | 21.23A |
| Responsible Officer | Mairead Wood |
| Status | Disclosable |
| Action | For Noting |

1 REPORT PURPOSE

The purpose of this report is to provide the Committee with an update on Data Protection Issues as they affect the College.

2. RECOMMENDATION

The Committee is asked to note the report.

3. BACKGROUND

3.1 See attached report.

4. RISK ANALYSIS

The College is required to comply with the provisions of Data Protection legislation and as such there is a legal, financial and reputational risk if this is not sufficiently monitored.

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

None

6. HAS AN EQUALITY IMPACT ASSESSMENT BEEN CARRIED OUT

N/A

Report for Audit Committee

GLASGOW CLYDE COLLEGE
DR MAIREAD WOOD
17/05/21

1. Background

The pandemic, Brexit and Schrems II ruling have had a significant impact on data protection over the last year, specifically:

- The pandemic resulted in a move to home working/learning for all staff, students and college users resulting in changes to technology use, impacting data flows;
- The pandemic necessitated new processes at the College relating to Covid (e.g. Lateral Flow Tests, Health and Safety, etc) and non-Covid (e.g. Part-time Fee Grant (PTFG) data for SAAS) arrangements being implemented and new personal and special category data being processed;
- Schrems II ruling saw the demise of Privacy Shield, impacting data transfers to the US and international transfers more broadly;
- Brexit resulting in UK GDPR and (potentially) an adequacy decision (or not) for the UK to support personal data transfers from the EEA to the UK without the need for additional safeguards.

The HEFESTIS Data Protection Officer (DPO) Share Service has produced newsletters, guidance and other documentation relating to these key areas to support our Members, including Glasgow Clyde College. This has worked well to provide consistent messaging across HEFESTIS Members in the HE/FE sector on emerging issues. A SharePoint site has been established to provide a repository of data protection information. The College is also a Member of the HEFESTIS CISO Share Service. Further details are available on request.

The HEFESTIS DPO has worked with the College and HEFESTIS CISO to raise awareness of emerging issues and the potential risks these pose. In addition, the DPO has helped to implement these changes across the College to support ongoing compliance (see below).

2. Policies and procedures

As part of the College's Procedure Review 2021, all data protection guidance and procedures have been reviewed and updated where necessary to reflect recent changes to data protection law. Data protection guidance and procedures are available on the staff intranet and include:

| Guidance/Form | Updated |
|--|----------------------|
| Guide to Data Protection | Yes (UK GDPR), EIA |
| Data Subject Request Form | Yes (UK GDPR) |
| Data Release Form | Yes (UK GDPR) |
| DPIA Screening Questionnaire | New |
| Data Protection Impact Assessment (DPIA) | No (not needed) |
| Data Breach Procedure | Yes (UK GDPR) |
| Data Breach Flowchart | No (not needed) |
| Data Security Incident Report | No (not needed) |
| Guide to Handling Police Enquiries | Yes (UK GDPR), EIA |
| Police Request for Personal Data Flowchart | Yes (UK GDPR) |
| CCTV Procedure | Yes (UK GDPR) |
| Data Retention Schedule | Yes (MIS/HR updates) |

3. Staff training and engagement

The DPO has maintained good contacts with key personnel across the College to support data protection compliance. Staff can contact the DPO for data protection advice at any time, as needed. The DPO has delivered two CPD training remotely (via MS Teams) during 2020/21:

| Date | Title |
|----------|---|
| 10/06/20 | Data protection and security for home working |
| 11/06/20 | Data breaches and how to avoid them |

These sessions were well attended (40-50 members of staff at each).

On 28 January 2021, HEFESTIS also delivered a data protection and information security conference for its Members, including College staff.

The DPO plans to deliver a further two sessions in June 2021 with a focus on DPIA's and changes to recent data protection law regards Brexit and the impact of the Schrems II ruling on international transfers.

4. Data Protection Impact Assessments (DPIA's)

There have been changes to a number of business processes, including the implementation of new technologies, some of which have occurred as a result of the pandemic. The following data protection impact assessments (DPIA's) have been produced during 2020/21 to assess and mitigate against potential risks to data subjects and organization of new processes and technologies.

| Date started | DPIA Project Title | Summary | Third party involved? |
|-------------------------------|--|---|---|
| 28/02/20 (updated 9/04/21) | Delivering Excellence in Learning, Teaching and Assessment | New student VLE | Yes – contract in place |
| 04/06/20 | Online enrolment project | More to online enrolment of students due to pandemic | Yes – contract in place |
| 17/09/20 | SAAS PTFG | SAAS requested the College processes PTFG applications and send to them electronically due to SAAS office closure as result of pandemic | Yes – College are Data Processor for SAAS – contract in place (awaiting sign-off from SAAS) |
| 24/09/20 | Building Better Futures Project Bid | Tackling child poverty by delivering training to local disadvantaged groups in local community in Glasgow | Yes – partnership between GCC and GKC and consortium of partner community-based orgs |
| 07/10/20 | Online Graduation | Online graduation ceremony due to pandemic | Yes – contract in place |
| 11/11/20 | hivehr | Anonymised staff survey tool | Yes - SaaS |
| 26/01/21 | Delivering Excellence in Learning, Teaching and Assessment – PowerBi | Business intelligence (BI) tool for VLE | Yes – contract in place |
| 17/03/21 | Glow Safeguarding DPIA | Education Scotland developing safeguarding service for Glow | Yes – Education Scotland initiative. HEFESTIS DPO's will provide feedback on behalf of Members. |

5. Privacy notices

New privacy notices have been produced to reflect new data processing activity being undertaken by the College – [see website here](#). Links to these notices are made available to data subjects before they are asked to provide their personal data (e.g. at the start of an enrollment form). This supports the College to ensure data is processed lawfully, fairly and transparently.

6. Data subject requests

The College has a central data protection mailbox for managing data subject requests (DSR's) including subject access requests (SAR's). This is managed by a member of the Executive Support Team (DSR's including SAR's and third party requests, collates and redacts responses) with support from the DPO (provides advice, support, co-ordinates). All DSR's have been processed to meet deadlines.

| Type of request | 2020 | 2021 (to-date) | Responded in time |
|-------------------------|------|----------------|---|
| Subject access requests | 13 | 3 | Yes (some extensions due to volume of data) |
| Right to be forgotten | 3 | 5 | Yes |
| Third party requests | 12 | 1 | Yes (one extension due to safeguarding issue) |
| Right to rectification | 1 | 0 | Yes |

7. Data incidents and breaches

The DPO advises on all data protection queries, data incidents and breaches across the College. There was one minor incident (inability to Bcc on Zoom/Teams calendar requests due to software) and one large-scale breach during 2020/21.

The large-scale breach involved a third party and was reported to the ICO. The data subjects affected were also notified and provided with advice to help identify potential fraudulent activity on their accounts and maintain good privacy practices. The ICO decided that regulatory action was not required in the case as a result of:

- *“The nature and seriousness of the breach pertaining to personal data;*
- *The action already taken by (your) organisation;*
- *Early notification to the ICO.”*

8. Arrangements with external third parties

A number of contracts have been reviewed by the DPO over the year, to ensure compliance with data processor requirements under Article 28 of the UK GDPR. The DPO has been involved in producing and reviewing a number of data sharing agreements for the College where data is shared with a third party on a Controller-Controller basis, outlining the accountability of each party. Further details can be provided on request.

GLASGOW CLYDE COLLEGE

**ROLLING ACTION PLAN FOR INTERNAL AND EXTERNAL AUDIT PRIOR
RECOMMENDATIONS**

UPDATE

AS AT 17 MAY 2021

Contents

- Partially implemented recommendations, set aside, outstanding or within timescale (1.1 - 1.9)
- Fully implemented recommendations (2.1 – 2.4)

ROLLING INTERNAL AND EXTERNAL AUDIT ACTION PLAN

Partially implemented, within timescale or outstanding previous recommendations

| Item Ref | Recommendation | Priority | Responsibility | Timing | Recommendation Status | Report Ref | Update at 17 May 2021 |
|----------|---|----------|-------------------------------------|--|-----------------------|------------|---|
| 1.1 | Standardisation of HR Procedures The Board has requested that the College take forward the work to have standard HR procedures across the College for all areas not affected by National Bargaining | Medium | Assistant Principal Human Resources | June 2021 (revised from Dec 2019, June and Dec 2020) | Partially Implemented | N/A | National bargaining processes affect a number of procedures e.g. for discipline, grievance and managing absence and these need to be progressed through national discussions. There are College procedures in place for those areas outwith national bargaining and these are updated annually/ as required. For example there has recently been a new guideline agreed on personal relationships. |

ROLLING INTERNAL AND EXTERNAL AUDIT ACTION PLAN

Partially implemented, within timescale or outstanding previous recommendations

| | Recommendation | Priority | Responsibility | Timing | Recommendation Status | Report Ref | Update at 17 May 2021 |
|-----|---|----------|-------------------------------------|---|-----------------------|---|--|
| 1.2 | Single Focal Point for Communications Consideration should be given to the creation of a single focal point for internal and external communications being the Marketing and Communications Department. | Low | College Vice Principals | December 2020 (revised from March 2020) | Set aside | Publicity and Communications Internal Audit Report | Discussions were being progressed prior to lockdown. There have been ongoing internal and external communications through the COVID period and the current arrangements are working effectively so not planned to change these. |
| 1.3 | Succession Planning The College should set out a timetable to develop and introduce a formal staff succession planning process for identified key posts. | Low | Assistant Principal Human Resources | June 2021 (revised from Dec 2020) | Partially Implemented | Staff Recruitment and Retention / Staff Development Internal Audit Report | The Principal presented a succession planning paper at the recent Remuneration Committee meeting and the document was well received. A couple of changes have been suggested to strengthen the document, after which it will be taken to SLT for approval. |

ROLLING INTERNAL AND EXTERNAL AUDIT ACTION PLAN

Partially implemented, within timescale or outstanding previous recommendations

| | Recommendation | Priority | Responsibility | Timing | Recommendation Status | Report Ref | Update at 17 May 2021 |
|-----|---|----------|--|-----------|-----------------------|---------------------------------------|---|
| 1.4 | <p>Corporate Parenting Plan The Corporate Parenting Plan should be enhanced with detail included around the governance arrangements for approval of the Plan and for ongoing monitoring.</p> <p>The Corporate Parenting Group should resume activities to ensure there is at least annual review of the Plan in line with statutory guidance. The status of activity should be frequently updated and target dates for activities monitored by the group.</p> <p>Management should consider documenting actions around Care Experienced students experiencing digital exclusion.</p> | Low | Assistant Principal Student Experience | June 2021 | Within Timescale | Student Support Internal Audit Report | The draft plan will be reviewed by the group and published as per SG guidance |
| 1.5 | <p>Enrolment Guidance Guidance detailing enrolment instructions for staff should be updated to capture the procedures around remote enrolment and the standards for staff around checks to be completed remotely. Robust version control practices should also be adopted.</p> | Low | Head of MIS | May 2021 | Within Timescale | Student Support Internal Audit Report | Existing guidance will be formalised and version control monitored by our Quality Team for implementation in session 2021/22. |

ROLLING INTERNAL AND EXTERNAL AUDIT ACTION PLAN

Partially implemented, within timescale or outstanding previous recommendations

| | Recommendation | Priority | Responsibility | Timing | Recommendation Status | Report Ref | Update at 17 May 2021 |
|-----|---|----------|-------------------------------------|----------------|-----------------------|-------------------------------|--|
| 1.6 | Payroll Validation Checklist The College should review the current monthly hardcopy checklist approach to identify opportunities for the increased use of electronic records to document completion of key controls including the monthly payroll validation checks. | Low | Assistant Principal Human Resources | August 2021 | Within Timescale | Payroll Internal Audit Report | We agree with this recommendation and will investigate a potential electronic solution for payroll validation. |
| 1.7 | Control Assurance Reports For future payroll contract awards the College should ensure the approved contract will an iTrent an IASE 3402 Controls Assurance reports for service providers and obtains these reports ideally on an annual basis. | Low | Assistant Principal Human Resources | December 2021 | Within Timescale | Payroll Internal Audit Report | The requirement for this report will be raised with our current system provider and costs to provide this report investigated. If these costs are prohibitive, we will ensure that they are included in the tender document when we next tender or renew our contract. |
| 1.8 | Additional Payments & Expenses The College should review its current approach for manual input of information on additional hours and expenses and, where practical, take steps to automate the payroll processes, including the direct approval and uploading of additional salary and expenses payments into the iTrent system. | Low | Assistant Principal Human Resources | September 2021 | Within Timescale | Payroll Internal Audit Report | Work is currently ongoing to develop an electronic timesheet and expenses system. We are aiming to have this operational for academic session 21/22. |

ROLLING INTERNAL AND EXTERNAL AUDIT ACTION PLAN

Partially implemented, within timescale or outstanding previous recommendations

| | Recommendation | Priority | Responsibility | Timing | Recommendation Status | Report Ref | Update at 17 May 2021 |
|-----|--|----------|--------------------|-------------------------------------|-----------------------|--|---|
| 1.9 | Unethical Behaviour and Whistleblowing Policy A review of the Unethical Behaviour and Whistleblowing Procedure should be conducted to confirm that it remains fit for purpose. | Low | Clerk to the Board | June 2021 (revised from March 2021) | Partially Implemented | Fraud Prevention, Detection & Response Internal Audit Report | The Procedure is being reviewed by the Audit Committee in May 2021. Policy to be approved by Board at June 2021 meeting in light of any changes to the procedure. When finalised the procedure will be passed to the College Quality Team for inclusion in the ongoing annual review process. |
| | | | | | | | |

ROLLING INTERNAL AND EXTERNAL AUDIT ACTION PLAN

Fully implemented recommendations

| Item Ref | Recommendation | Priority | Responsibility | Timing | Recommendation Status | Report Ref | Update at 17 May 2021 |
|----------|--|----------|---|------------|-----------------------|---------------------------------------|--|
| 2.1 | Learning Inclusion Procedures Using the summary detailing the steps around student support by the LI Team, a set of procedures should be developed, and version controlled to ensure they continue to align to current ways of working. | Low | Assistant Principal Student Experience | April 2021 | Fully Implemented | Student Support Internal Audit Report | The summary guidance has been formalised into procedures and is being presented to the Quality team for implementation in session 2021/22. |
| 2.2 | Digital Devices Loan Process Management should consider ways to communicate the terms and conditions of devices loaned, such as an email to all students provided with devices, supported by a website or page on Canvas detailing this requirement and which is linked to other College policies around appropriate use of equipment. Students should be required to provide email confirmation of receipt of the devices and agreement to the terms and conditions. Management are already progressing work on this issue through discussions with ICT and faculty staff. | Low | Assistant Principal Student Experience | April 2021 | Fully Implemented | Student Support Internal Audit Report | This recommendation has been considered and a new process for session 2021/22 is being developed. |

ROLLING INTERNAL AND EXTERNAL AUDIT ACTION PLAN

Fully implemented recommendations

| Item Ref | Recommendation | Priority | Responsibility | Timing | Recommendation Status | Report Ref | Update at 17 May 2021 |
|----------|--|------------|--|------------|--------------------------|--|--|
| 2.3 | Senior Management Approval The College should introduce an additional escalation mechanism, which would supplement the existing raft of routine checks conducted by both HR and Payroll staff, in order to ensure senior management approval before the BACS payment run. | Low | Assistant Principal Human Resources | May 2021 | Fully Implemented | Payroll Internal Audit Report | Agreed and now in place. |
| 2.4 | Financial Fraud Response Plan The Financial Fraud Response Plan should be revisited to make it clear who has the final say on the reporting of a potential fraud to Police Scotland and who has responsibility for maintaining communication with police Scotland once a criminal investigation commences. | Low | Vice Principal Resources and College Development | March 2021 | Fully Implemented | Fraud Prevention, Detection & Response Internal Audit Report | The Fraud Response Plan has been updated to clarify who has responsibility for reporting a suspected fraud to the police and for maintaining ongoing communication during any subsequent criminal investigation. |

AUDIT COMMITTEE MEETING

| | |
|---------------------|--|
| Date of Meeting | 26 May 2021 |
| Paper Title | Appointment of Internal Auditors for Future Years |
| Agenda Item | 21.26 |
| Responsible Officer | Janet Thomson, Vice Principal: Resources and College Development |
| Status | Disclosable |
| Action | For Noting |

1 REPORT PURPOSE

The Report considers the appointment of the future internal auditor for the College when the current appointment ends.

2 RECOMMENDATION

Committee Members are invited to NOTE this paper.

3 BACKGROUND/

- 3.1 The College currently has Henderson Loggie as its internal audit provider who were appointed for a period of three years from 2017/18 and then extended for a further year with their appointment now ending with the conclusion of the 2020/21 internal audit work.
- 3.2 Therefore, a new internal audit appointment is being progressed using the APUC Framework Agreement for the appointment. This process is being taken forward as a three-way joint appointment for Glasgow Clyde College along with City of Glasgow College and Glasgow Colleges' Regional Board. Glasgow Kelvin College are part way through the period of appointment of their internal auditor hence did not fit into the same cycle period.
- 3.3 The tender documents have been prepared and were issued on Public Contracts Scotland on Wednesday 12 May 2021 with the response date of 2 June 2021. The evaluation timeframe is as below:

| | |
|-------------------------|-------------------|
| Evaluation commencement | w/c 7 June 2021 |
| Bidder presentations | w/c 28 June 2021 |
| Award notification | w/c 28 July 2021 |
| Award commencement | w/c 2 August 2021 |

- 3.4 The appointment will be for a three-year period with the option to extend for a further twenty four months.

4 RISK ANALYSIS

The College has to appoint a suitable independent internal audit service as part of the internal controls in its risk framework.

5 LEGAL IMPLICATIONS/FINANCIAL IMPLICATIONS/REGIONAL OUTCOME AGREEMENT IMPLICATIONS

The College is required to have an internal audit service as part of the Financial Memorandum and there are financial implications based on the number of days utilised per year.

6 HAS AN EQUALITY IMPACT ASSESSMENT BEEN CARRIED OUT

N/A