

# Audit Committee

**Wednesday 27 September 2023 at 4.30pm**  
**via teams**

## AUDIT COMMITTEE

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The Audit Committee meeting will be held on Wednesday 27 September 2023 at 4.30pm via teams

### A G E N D A

<b>23.34</b>	Welcome and Apologies			D Watt
<b>23.35</b>	Declarations of Interest			D Watt

#### Minutes of Previous Meeting

<b>23.36</b>	Draft Minute of the Audit Committee meeting 31 May 2023	P	D	D Watt
<b>23.37</b>	Matters Arising – Action Grid	P	D	D Watt

#### Items for Discussion/Decision

##### Systems of Internal Control

<b>23.38</b>	Updated Internal Audit Plan 2023/24	P	D	Henderson Loggie
<b>23.39</b>	Internal Audit - Follow up Report	P	D	Henderson Loggie

#### Governance and Risk Management

<b>23.40</b>	College Strategic Risk Register	P	D	J Vincent
<b>23.41</b>	Data Protection Update	P	ND	G Francis

#### Items for Information/Noting

<b>23.42</b>	Internal and External Audit Rolling Action Plan	P	ND	T Elliott
<b>23.43</b>	Audit Scotland Report: Scotland's Colleges 2023	P	D	J Vincent
<b>23.44</b>	SFC: Financial Memorandum – Settlement Agreements	P	ND	J Vincent
<b>23.45</b>	Audit Committee Schedule of Work 2023/24	P	D	K Mavor
<b>23.46</b>	Any Other Business			D Watt

Date of next meeting: 22 November 2023 at 4.30pm (Langside campus)

## AUDIT COMMITTEE MEETING

<b>Date of Meeting:</b>	27 September 2023
<b>Paper Title:</b>	2 <sup>nd</sup> Draft GCC Annual Internal Audit Plan 2023/24
<b>Action:</b>	Discussion
<b>Prepared by:</b>	Henderson Loggie, Internal Auditors
<b>Agenda Item:</b>	23.38
<b>Status:</b>	Disclosable

### 1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to provide the updated draft of the 2023/24 Internal Audit Plan as prepared by Henderson Loggie which has been updated with requested scheduling changes following discussion at the May 2023 Committee.

### 2. ACTION FOR THE COMMITTEE

- 2.1 Members of the Audit Committee are invited to note and discuss the updated 2023/24 draft Internal Audit Plan for 2023/24

### 3. BRIEF BACKGROUND INFORMATION

- 3.1 The plan is based on the proposed allocation of audit days for 2023/24 as set out in the Internal Audit Strategic Plan 2021 to 2024. The preparation of the Strategic Plan involved dialogue with management, and the Audit Committee approved the three-year Strategic Plan at its meeting on 24 November 2021.

### 4. SUPPORTING DOCUMENTATION/ FURTHER INFORMATION

- 4.1 Annex 1: 2<sup>nd</sup> Draft GCC Annual Internal Audit Plan 2023/24.

### 5. RISKS

- 5.1 There are no specific risks associated with this paper.

### 6. ANY OTHER SIGNIFICANT IMPACT eg STUDENT EXPERIENCE/LEGAL/FINANCIAL/EQUALITY & DIVERSITY

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

# Glasgow Clyde College

## Internal Audit Annual Plan 2023/24

Internal Audit Report No: 2024/01

Draft issued: 26 April 2023

2<sup>nd</sup> Draft issued: 14 September 2023

Final issued:



# Contents

		Page
Section 1	Introduction	1
Section 2	Strategic Plan 2021 to 2024	2 - 3
Section 3	Outline Scope and Objectives	
	• Health and Safety	4
	• Student Support (ELS) BPR	5
	• Procurement and Creditors / Purchasing	6 - 7
	• Risk Management	8
	• Environmental Sustainability	9 - 10
	• Data Protection	11
	• Software Licencing	12
	• Credits Audit	13
	• Student Support Funds	14
	• Follow-Up Reviews	15



## Introduction

- 1.1 The purpose of this document is to present for consideration by management and the Audit Committee the annual operating plan for the year ended 31 July 2024. The plan is based on the proposed allocation of audit days for 2023/24 as set out in the Internal Audit Strategic Plan 2021 to 2024. The preparation of the Strategic Plan involved dialogue with management, and the Audit Committee approved the three-year Strategic Plan at its meeting on 24 November 2021.
- 1.2 The annual operating plan for 2023/24 shows a number of changes to the original allocation set out in the above Strategic Plan. Following discussion at the Audit Committee meeting on 25 May 2022, the four-day review of Environmental Sustainability was deferred from 2022/23 into 2023/24 to allow more time for progress to be made on agreed planned activity in this area. The five-day review of Student Fees and Contracts / Registry was accelerated from 2023/24 to 2022/23 to replace the Environmental Sustainability review. At the same May 2022 meeting, the Audit Committee requested a review of the new risk management process, which is in development at that time, to be scheduled for 2023/24 and four days have been added to the plan to allow this work to be completed. The Audit Committee also requested that the number of days allocated for the follow up of previous recommendations be reviewed and, in common with the 2022/23 position, the budget for Follow Up has been reduced to two days. At the Audit Committee meeting on 31 May 2023, it was agreed that given the current challenging circumstances facing the College the five-day review of Staff Recruitment and Retention would be delayed one year to 2024/25.
- 1.3 A copy of the revised Internal Audit Strategic Plan is included at Section 2 of this report.
- 1.4 At Section 3 of this report we have set out the outline scope and objectives for each audit assignment to be undertaken during 2023/24, together with the proposed audit approach. These have been arrived at following discussion with the Vice Principal, Resources and College Development. The outline scopes will be refined and finalised following discussion with responsible managers in each audit area prior to each audit.
- 1.5 Separate reports will be issued for each assignment with recommendations graded to reflect the significance of the issues raised. In addition, audit findings will be assessed and graded on an overall basis to denote the level of assurance for the area reviewed and therefore the priority that should be given to each report.



# Strategic Plan 2021 to 2024

## Proposed Allocation of Audit Days

	Category	Actual 21/22 Days	Actual 22/23 Days	Planned 23/24 Days	Year last reviewed by Internal Audit (HL)
<b>Reputation</b>					
<i>Publicity and Communications</i>	Gov				2019/20
<i>Health and Safety</i>	Gov			5	2018/19
<b>Student Experience</b>					
<i>Curriculum – VLE platform</i>	Perf		6		2017/18
<i>Quality</i>	Perf				2019/20
<i>Student support (ELS) BPR</i>	Perf			6	2020/21
<i>Student recruitment and retention</i>	Fin/Perf	5			2018/19
<i>Student welfare – Duty of Care</i>	Perf				2018/19
<i>Student engagement / Students Association</i>	Gov		4		Not previously reviewed by HL
<b>Staffing Issues</b>					
<i>Staff recruitment and retention</i>	Perf				2019/20
<i>Staff development</i>	Perf	5			2019/20
<i>Payroll</i>	Fin				2020/21
<i>Teaching staff utilisation</i>	Perf / Fin	5			Not previously reviewed by HL
<b>Estates and Facilities</b>					
<i>Building maintenance</i>	Fin/Perf				2017/18
<i>Estates strategy / capital projects</i>	Fin/Perf				2017/18
<i>Space management / room utilisation</i>	Perf	6			BPR on Space Management 2016/17
<i>Asset / fleet management</i>	Perf				Not reviewed by HL
<b>Financial Issues</b>					
<i>Budgetary control</i>	Fin				2018/19
<i>Student fees and contracts / registry</i>	Fin		5		2016/17
<i>ESF funding</i>	Gov/Fin				2018/19
<i>General ledger</i>	Fin				Not reviewed by HL
<i>Procurement and creditors / purchasing</i>	Fin			5	2017/18
<i>Debtors/ Income</i>	Fin	5			Not previously reviewed by HL
<i>Cash &amp; Bank / Treasury management</i>	Fin				2019/20
<i>Fraud Prevention, Detection and Response</i>	Fin				2020/21
<i>Delivery of Efficiency Savings Plan</i>	Fin				2020/21



## Internal Audit Annual Plan 2023/24 - DRAFT

	Category	Actual 21/22 Days	Actual 22/23 Days	Planned 23/24 Days	Year last reviewed by Internal Audit (HL)
<b>Commercial Issues</b>					
<i>Business Development</i>	Fin/Perf	5			2017/18
<i>External Activities</i>	Gov/Fin/Perf				2017/18
<b>Organisational Issues</b>					
<i>Risk Management</i>	Perf			4	2020/21
<i>Business Continuity</i>	Perf				2020/21
<i>Corporate Governance</i>	Gov				2016/17
<i>Corporate Planning</i>	Perf				2016/17
<i>Performance reporting / KPIs</i>	Perf		5		2018/19
<i>Partnership Working (incl. Regional Engagement)</i>	Gov/Perf				2018/19
<i>Equalities</i>	Gov				2019/20
<i>Environmental Sustainability</i>	Gov/Perf			4	Not previously reviewed by HL
<b>Information and IT</b>					
<i>Cyber security</i>	Perf		5		2019/20
<i>Data protection</i>	Gov			5	2017/18 – 2-part review
<i>BYOD</i>	Perf / Fin		5		Partly reviewed as part of Student Support 2020/21
<i>FOI</i>	Gov				Not reviewed by HL
<i>Systems development / implementation</i>	Perf				2018/19
<i>Digital / IT strategy implementation</i>	Perf				2020/21
<i>Software Licencing</i>	Perf			4	2019/20
<b>Other Audit Activities</b>					
Credits Audit	Required	7	7	7	All years
Bursary, Childcare and Hardship Funds Audit	Required	5	5	5	All years
EMA Audit	Required	1	1	1	All years
Management and Planning )		4	5	5	
External audit / SFC )					
Attendance at Audit Committee )					
Follow-up reviews		3	2	2	All years
Audit Needs Assessment		2			2017/18
<b>Total</b>		53	50	53	
		=====	=====	=====	

### Key

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

BPR = Business process review





## Outline Scope and Objectives

<b>Audit Assignment:</b>	Health and Safety
<b>Priority:</b>	Medium
<b>Fieldwork Timing</b>	TBC
<b>Audit Committee Meeting:</b>	TBC
<b>Days:</b>	5

### **Scope**

This audit will review the arrangements in place within the College to deal with Health and Safety (H&S) issues.

### **Objectives**

The main objective of this audit will be to review the College's overall arrangements for dealing with H&S issues and to consider whether these are adequate and operating effectively in practice at each campus site.

We will seek to obtain reasonable assurance that the College has:

- a H&S policy and documented procedures which are communicated to all staff;
- a formal risk identification and assessment process;
- a H&S training programme which includes induction training, refresher training and training for new equipment and legislation;
- regular monitoring of H&S systems to ensure that they are functioning effectively including H&S audits, carried out either internally or by external agencies such as the Health and Safety Executive;
- an incident and accident recording system with follow-up and implementation of new controls where required; and
- regular reporting of H&S to senior management and to the Board of Management.

### **Our audit approach will be:**

From discussion with the Health and Safety Officers, and review of procedural documentation, we will identify the internal controls in place and compare these with expected controls. A walkthrough of key systems will then be undertaken to confirm our understanding, and this will be followed up with compliance testing, where considered necessary. We will report on any areas where expected controls are found to be absent or where controls could be further strengthened.



<b>Audit Assignment:</b>	Student Support (ELS) BPR
<b>Priority:</b>	Medium
<b>Fieldwork Timing</b>	TBC
<b>Audit Committee Meeting:</b>	TBC
<b>Days:</b>	6

### **Scope**

The scope of this assignment will be to carry out a review of the College's current procedures for the various stages of the processes for providing Extended Learning Support (ELS) to students with a view to identifying and removing waste from the current processes and proposing procedural improvements.

### **Objectives**

To objectives of the review will be to ensure that:

- The anticipated outcomes for all internal stakeholders from the ELS processes are clearly defined;
- The value of services provided as part of the ELS processes are quantified from a student perspective and from the perspective of external stakeholders (e.g. Scottish Government and SFC);
- The steps in the value chain are identified;
- Steps which do not add value are identified with a view to eliminating them; and
- Steps that create value occur in tight sequence and are reflected in efficient and effective ELS processes.

### **Our audit approach will be:**

Through a facilitated workshop, or via interviews with key staff nominated by the College and student representatives, we will utilise a range of business improvement tools to identify internal and external stakeholder and student needs; identify opportunities for removing inefficiency and waste from the current ELS processes and map out revised processes which will create a flow between value creating steps to improve the existing processes.

We will then prioritise the issues, in discussion with key College staff, and develop an action plan to drive improvement. This action plan will consider any changes required to existing operating procedures to ensure that any changes to the ELS processes are deliverable and embedded across the College.



<b>Audit Assignment:</b>	Procurement and Creditors / Purchasing
<b>Priority:</b>	Medium
<b>Fieldwork Timing</b>	TBC
<b>Audit Committee Meeting:</b>	TBC
<b>Days:</b>	5

### Scope

This audit will focus on the systems of internal control in place for the ordering of goods and services and the payment of invoices. We also consider whether the procurement strategy which is followed and the procedures which are in place support the delivery of best value purchasing across the College in relation to non-pay spend.

### Objectives

The objectives of the audit will be to ensure that:

- the College's Procurement Policy, Strategy and procurement guidance are comprehensive, kept up-to-date and in line with the Procurement Reform (Scotland) Act 2014 ('the Act') and The Procurement (Scotland) Regulations 2016 ('the Regulations');
- procurement procedures ensure that:
  - ◆ areas of high spend across the College are monitored appropriately;
  - ◆ opportunities for pooling of expenditure are identified in order to achieve best value; and
  - ◆ collaborative procurements and frameworks available to the College are utilised where appropriate;
- purchase orders are completed for relevant purchases and are approved by members of staff with sufficient delegated authority prior to issue to suppliers, with the risk of unauthorised and excessive expenditure being minimised;
- the College's procurement guidance on quotes and tenders are being complied with;
- all liabilities are fully and accurately recorded;
- all payments are properly authorised, processed and recorded; and
- appropriate controls are in place over the amendment of standing supplier data on the finance system.

### Our audit approach will be:

From discussions with Procurement staff, and a sample of budget holders, we will establish the procurement strategies, procedures and monitoring arrangements that are in place within the College. These will then be evaluated to establish whether they follow recognised good practice.

Specifically, we will seek to establish whether the procurement procedures ensure that areas of high spend across the College are monitored appropriately, identifying opportunities for pooling of expenditure in order to achieve best value, and ensuring that joint purchasing arrangements available to the College are utilised where appropriate.

**Audit Assignment:**

Procurement and Creditors / Purchasing  
(continued)

**Our audit approach will be (continued):**

We will also document controls in place within the purchasing / payments system through interviews with Finance staff and also seek to establish whether the expected key controls are in place by reference to standard control risk assessment templates. We will also perform compliance testing where considered necessary to determine whether key controls are working effectively, including selecting a sample of items of expenditure from the financial ledger and testing to ensure compliance with the College's Financial Regulations and Procedures.



<b>Audit Assignment:</b>	Risk Management
<b>Priority:</b>	Medium
<b>Fieldwork Timing</b>	TBC
<b>Audit Committee Meeting:</b>	TBC
<b>Days:</b>	4

### **Scope**

The scope of the audit will be to consider whether there are 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.

### **Objectives**

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

- there is a process in place to provide reasonable assurance to the Board and to the Principal in relation to the declaration on risk required for the financial statements;
- the process in place applies good practice in risk management; and
- key risks have been identified and are being appropriately controlled, mitigated, reported, and discussed at appropriate levels of management and the Board.

### ***Our audit approach will be:***

Obtain and review a copy of the College's risk management policies, procedures and Risk Registers and discuss the risk management arrangements in place with the Vice Principal, Resources and College Development and other key managers and staff.

The College's risk management arrangements will then be benchmarked against relevant good practice guidance.

We will consider whether all relevant key risks have been identified and included on the Risk Registers and ensure that these are monitored and adequately reported on.

<b>Audit Assignment:</b>	Environmental Sustainability
<b>Priority:</b>	High
<b>Fieldwork Timing</b>	TBC
<b>Audit Committee Meeting:</b>	TBC
<b>Days:</b>	4

### Scope

Part 4 of the Climate Change (Scotland) Act 2009 (hereafter referred to as 'the Act') places duties on public bodies relating to climate change. The duties on the face of the Act require that a public body must, in exercising its functions, act:

- in the way best calculated to contribute to the delivery of the targets set in or under Part 1 of this Act;
- in the way best calculated to help deliver any programme laid before the Scottish Parliament under section 53; and
- in a way that it considers is most sustainable.

In doing so, public bodies must have regard to the guidance *Public Bodies Climate Change Duties: Putting Them Into Practice* issued by the Scottish Government in 2011.

In direct response to the international Paris Agreement, the Climate Change (Scotland) Act 2009 was amended by the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019, increasing the ambition of Scotland's emissions reduction targets to net zero by 2045. There are also interim targets of a 75% reduction in emissions by 2030 and 90% by 2040, relative to 1990 levels of carbon dioxide, methane and nitrous oxide and 1995 levels of hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride and nitrogen trifluoride.

In February 2021, Scottish colleges' Statement of Commitment on the Climate Emergency was published. The colleges had come together to establish and commit collaboratively to delivering on a set of 10 key actions.

The SFC's latest guidance for the development of College Outcome Agreements notes that the SFC expects '*institutions to have or to put in place organisation-wide net zero and sustainability plans by the end of the calendar year 2024 if these do not already exist and to be able to highlight key priorities and dates for delivery of these.*' Measures should be taken to comply with the Scottish Government public sector carbon reporting and reduction guidance Public Sector Leadership on the Global Climate Emergency (October 2021).

This audit will include a review of the College's current position with regard to its strategic plans and operational arrangements to ensure compliance with the Climate Change (Scotland) Act 2009.

**Audit Assignment:**

Environmental Sustainability (continued)

***Objectives***

Our review will seek to obtain reasonable assurance that:

- The College has established the carbon baseline position and has set out and communicated the climate change aspirations for the College;
- Roles and responsibilities around climate change action and environmental sustainability have been clearly articulated;
- There are appropriate targets, actions and milestones in place to demonstrate the steps the College is taking to contribute to climate change mitigation and to climate change adaptation, and to act sustainably; and
- There are appropriate arrangements in place to update the Board on the progress being made to deliver on actions around climate change and sustainability.

***Our audit approach will be:***

Through discussion with relevant College staff, and review of relevant documents, we will examine the extent to which the above objectives are being met.



<b>Audit Assignment:</b>	Data Protection
<b>Priority:</b>	High
<b>Fieldwork Timing</b>	TBC
<b>Audit Committee Meeting:</b>	TBC
<b>Days:</b>	5

### **Scope**

The EU General Data Protection Regulation (GDPR), which came into force on 25 May 2018 and was enshrined in law as part of the Data Protection Act 2018 (DPA 2018), included an expanded definition of what personal data was, a greater number of specific responsibilities, and implemented significant fines for non-compliance. The EU GDPR no longer applies in the UK after the end of the Brexit transition period on 31 December 2020. With effect from 1 January 2021, the DPPEC (Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit)) Regulations 2019 amended the EU GDPR to form a new, UK specific data protection regime that works in a UK context after Brexit to sit alongside the DPA 2018. This new regime is known as 'the UK GDPR'.

We will carry out a review of the College's implementation of the Data Protection Act 2018, including the UK GDPR, to ensure that processes and procedures are in place to allow compliance with this.

### **Objectives**

To obtain reasonable assurance that:

- appropriate action has been taken by the College to comply with the Data Protection Act 2018, including the UK GDPR; and
- adequate procedures are in place for the ongoing monitoring of compliance with data protection legislation.

### **Our audit approach will be:**

Through discussion with the Data Protection Officer and other relevant managers and staff we will establish the action taken to date by the College, and any further action planned, to implement the Data Protection Act 2018, including the requirements of the UK GDPR. The Information Commissioner's Office guidance will be used as the basis for this discussion, and any additional action required will be highlighted.



<b>Audit Assignment:</b>	Software Licensing
<b>Priority:</b>	Medium
<b>Fieldwork Timing</b>	TBC
<b>Audit Committee Meeting:</b>	TBC
<b>Days:</b>	4

### **Scope**

A software licence is an agreement between the software vendor and the software user that outlines the user's entitlement to utilise the software. Software licences may take various forms, including a single user licence, a network licence, or a site licence that allows users to run software at the same time.

The scope of this audit will be to provide assurance that the existing internal controls and business processes relating to software licences are adequate and effective.

### **Objectives**

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

- procedures are in place for managing software licences, including authorisation of software purchases and installations;
- processes are in place to track software assets and monitor utilisation;
- inventory controls and other controls have been established, and are operating, to maintain compliance with software licence terms; and
- contracts and other documentation are in place which support licence entitlement.

### **Our audit approach will be:**

Through discussion with the Head of ICT and members of the ICT Team, and review of supporting documentation, we will consider whether robust controls are in place to ensure that the above objectives are being met.



<b>Audit Assignment:</b>	Credits Audit
<b>Priority:</b>	Required annual audit
<b>Fieldwork Timing</b>	September 2024
<b>Audit Committee Meeting:</b>	November 2024
<b>Days:</b>	7

### **Scope**

Credits Audit Guidance, issued by SFC, requests that colleges obtain from their auditors assurances as to the reasonableness of procedures used in the compilation of the Credits related element of the student activity data for the academic year (FES return).

### **Objectives**

To obtain reasonable assurance that:

- the student data returns have been compiled in accordance with all relevant guidance;
- adequate procedures are in place to ensure the accurate collection and recording of the data; and
- the FES return on student activity data contains no material misstatements.

### **Our audit approach will be:**

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

Detailed analytical review will be carried out obtaining explanations for significant variations from previous year's activity.

Our testing will be designed to cover the key areas of risk identified at Annex C to the SFC Credits Audit Guidance.

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



<b>Audit Assignment:</b>	Student Support Funds
<b>Priority:</b>	Required annual audit
<b>Fieldwork Timing</b>	September 2024
<b>Audit Committee Meeting:</b>	November 2024
<b>Days:</b>	6

### **Scope**

We will carry out an audit on the College's student support funds for the year ended 31 July 2024 and provide an audit certificate. Three specific fund statements will require to be audited:

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

### **Objectives**

The audit objectives will be to obtain reasonable assurance that:

- the College complies with the terms, conditions and guidance notes issued by the SFC, SAAS and the Scottish Government;
- payments to students are genuine claims for hardship, childcare, bursary or EMA, and have been processed and awarded in accordance with College procedures; and
- the information disclosed in each of the returns for the year ended 31 July 2024 is in agreement with underlying records.

### **Our audit approach will be:**

- Reviewing the year's guidance from the SFC, SAAS and the Scottish Government and identifying internal procedures through discussion with College staff, and review of relevant documents;
- Agreeing income to letters of award;
- Reconciling expenditure through the financial ledger to returns, investigating reconciling items;
- Reviewing for large or unusual items, obtaining explanations where necessary; and
- Carrying out detailed audit testing, on a sample basis, on expenditure from the funds.



<b>Audit Assignment:</b>	Follow-Up Reviews
<b>Priority:</b>	Various
<b>Fieldwork Timing</b>	TBC
<b>Audit Committee Meeting:</b>	September 2024
<b>Days:</b>	2

### **Scope**

This review will cover reports from the 2022/23 internal audit programme and reports from earlier years where previous follow-up identified recommendations outstanding.

### **Objectives**

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

### **Our audit approach will be:**

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



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**AUDIT COMMITTEE MEETING**


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<b>Date of Meeting</b>	27 September 2023
<b>Paper Title</b>	Internal Audit Reports: <ul style="list-style-type: none"> <li>• Follow Up Report</li> </ul>
<b>Action</b>	For discussion
<b>Prepared by</b>	Henderson Loggie
<b>Agenda Item</b>	23.39
<b>Status</b>	Disclosable

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**1. PURPOSE OF THE REPORT**

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

- Follow Up Report

**2. ACTION FOR THE AUDIT COMMITTEE**

- 2.1 Members of the Audit Committee are invited to discuss the attached Follow Up Report and note the 2022/23 Progress Report.

**3. BRIEF BACKGROUND INFORMATION**

- 3.1 The Follow Up Reviews Report 2022/23 concludes that the College has made some progress in implementing recommendations with 12 of the 24 recommendations past the due date being categorised as 'fully implemented'. Nine recommendations have been categorised as 'partially implemented' and three as 'little or no progress made'. Three recommendations were not past their agreed completion date. The recommendations that have not been fully implemented will be subject to follow up in the next formal Follow Up Review exercise.
- 3.2 Also attached to this report is the 2022/23 Internal Audit Progress Report which summarises the position for the year where all the planned 2022/23 audits have been undertaken with only the annual year end audits remaining which cannot be completed until this point.

**4. SUPPORTING DOCUMENTATION/FURTHER INFORMATION**

- 4.1 paper 23.39A – Follow Up Reviews Report 2022/23  
Paper 23.39B - Internal Audit Progress Report

**5. RISKS**

- 5.1 There are no specific risk implications in this paper.
- 6. **ANY OTHER SIGNIFICANT IMPACT e.g STUDENT EXPERIENCE/  
LEGAL/FINANCIAL/EQUALITY & DIVERSITY.**
- 6.1 The College is required to have an internal audit function undertaken each year as part of the Financial Memorandum

# Glasgow Clyde College

## Follow Up Reviews 2022/23

Internal Audit report No: 2023/08

Draft issued: 14 September 2023

Final issued: 20 September 2023





## Contents

	<b>Page</b>
<b>Section 1</b>	<b>Introduction and Background</b>
	<b>1</b>
<b>Section 2</b>	<b>Objectives of the Audit</b>
	<b>1</b>
<b>Section 3</b>	<b>Audit Approach</b>
	<b>1</b>
<b>Section 4</b>	<b>Overall Conclusion</b>
	<b>1 - 3</b>
<b>Section 5</b>	<b>Acknowledgements</b>
	<b>3</b>
 <b>Appendices</b>	
<b>Appendix I</b>	<b>Updated Action Plan - Internal Audit Report 2022/08 – Follow-Up Reviews 2021/22</b>
	<b>4 - 8</b>
<b>Appendix II</b>	<b>Updated Action Plan - Internal Audit Report 2022/06 – Teaching Staff Utilisation (Business Process Review)</b>
	<b>9 - 12</b>
<b>Appendix III</b>	<b>Updated Action Plan - Internal Audit Report 2022/07 – Teaching Space Management / Room Utilisation Business Process Review</b>
	<b>13 - 18</b>
<b>Appendix IV</b>	<b>Updated Action Plan - Internal Audit Report 2023/03 – Cyber Security</b>
	<b>19 - 20</b>
<b>Appendix V</b>	<b>Updated Action Plan - Internal Audit Report 2023/05 – Curriculum – VLE Platform</b>
	<b>21 - 22</b>
<b>Appendix VI</b>	<b>Updated Action Plan - Internal Audit Report 2023/06 – Performance Reporting / KPIs</b>
	<b>23 - 25</b>
<b>Appendix VII</b>	<b>Updated Action Plan - Internal Audit Report 2023/07 – BYOD</b>
	<b>26</b>



# Management Summary

## Introduction and Background

As part of the Internal Audit programme at Glasgow Clyde College ('the College') for 2022/23 we carried out a follow-up review of the recommendations made in Internal Audit reports issued during 2022/23 and reports from earlier years that had either not already been subject to follow-up or where previous follow-up identified recommendations outstanding. These were:

- 2022/08 – Follow-Up Reviews 2021/22;
- 2022/06 – Teaching Staff Utilisation Business Process Review;
- 2022/07 – Teaching Space Management / Room Utilisation Business Process Review;
- 2023/03 – Cyber Security;
- 2023/05 – Curriculum – VLE Platform;
- 2023/06 – Performance Reporting / KPIs; and
- 2023/07 – BYOD.

Internal audit reports 2022/09 – 2021/22 Student Activity Data, 2022/10 – Student Support Funds 2021/22, 2022/11 – Annual Report 2021/22, 2023/01 – Annual Plan 2022/23, 2023/02 – Student Engagement / Student Association and 2023/04 – Student Fees did not contain any recommendations and as a result no follow up work was carried out for these reports.

## Objectives of the Audit

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

## Audit Approach

For the recommendations made in each of the reports listed above we ascertained by enquiry or sample testing, as appropriate, whether they had been completed or what stage they had reached in terms of completion and whether the due date needed to be revised.

Action plans from the original reports, updated to include a column for progress made to date, are appended to this report.

## Overall Conclusion

The College has made some progress in implementing the recommendations followed-up as part of this review with 12 of the 24 recommendations that were past their due date being categorised as 'fully implemented'. Nine recommendations have been assessed as 'partially implemented' and three as showing 'little or no progress made'. Three recommendations were not past their agreed completion date. The recommendations that have not been fully implemented will be subject to follow up in the next formal Follow Up Review exercise.



## Overall Conclusion (Continued)

The three recommendations showing 'little or no progress made' were from report 2023/03 – Cyber Security (Appendix IV) and relate to training. Action is planned to address these recommendations, with a revised completion date of 30 November 2023.

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

From Original Reports			From Follow-Up Work Performed				
Area	Rec. Priority	Number Agreed	Fully Implemented	Partially Implemented	Little or No Progress Made	Not Past Agreed Completion Date	Considered But Not Implemented
2022/08 – Follow-Up Reviews 2021/22	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	4	3	1	-	-	-
<b>Total</b>		<b>4</b>	<b>3</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>
2022/06 - Teaching Staff Utilisation Business Process Review	High	2	1	1	-	-	-
	Medium	1	-	1	-	-	-
	Low	2	1	1	-	-	-
<b>Total</b>		<b>5</b>	<b>2</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>
2022/07 - Teaching Space Management / Room Utilisation Business Process Review	High	4	1	3	-	-	-
	Medium	1	-	1	-	-	-
	Low	2	1	1	-	-	-
<b>Total</b>		<b>7</b>	<b>2</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>
2023/03 – Cyber Security	1	-	-	-	-	-	-
	2	2	-	-	2	-	-
	3	2	1	-	1	-	-
<b>Total</b>		<b>4</b>	<b>1</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>-</b>
2023/05 – Curriculum – VLE Platform	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	2	2	-	-	-	-
<b>Total</b>		<b>2</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2023/06 – Performance Reporting / KPIs	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	3	-	-	-	3	-
<b>Total</b>		<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>-</b>
2023/07 – BYOD	1	-	-	-	-	-	-
	2	1	1	-	-	-	-
	3	1	1	-	-	-	-
<b>Total</b>		<b>2</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Totals</b>		<b>27</b>	<b>12</b>	<b>9</b>	<b>3</b>	<b>3</b>	<b>-</b>

## Overall Conclusion (Continued)

The grades, as detailed below, denote the level of importance that should have been given to each recommendation within the internal audit reports:

Gradings for recommendations from Henderson Loggie internal audit reports:

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

For reports 2022/06 - Teaching Staff Utilisation Business Process Review and 2022/07 - Teaching Space Management / Room Utilisation Business Process Review improvement points identified from facilitated sessions were categorised as High, Medium and Low.

## Acknowledgements

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

## Appendix I - Updated Action Plan

### Internal Audit Report 2022/08 – Follow-Up Reviews 2021/22

Original Recommendation	Priority	Management Response	Agreed	To Be Actioned By	No Later Than	Progress Previously Reported	Progress at September 2023
<b>2021/04 - Payroll</b>							
<b>R3</b> 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.	<b>3</b>	Work is currently ongoing to develop an electronic timesheet and expenses system. We are aiming to have this operational for academic session 21/22.	Yes	Assistant Principal, Human Resources	30 September 2021	<p><b>September 2021</b> Electronic timesheets are currently being tested with a view to 'go live' early October 2021.</p> <p><b>September 2022</b> The College is continuing with the roll-out of electronic timesheets to staff groups however there has been quite a high error rate and further training has been undertaken for Curriculum Managers to allow for further roll-out.</p> <p><b>Partially Implemented</b></p> <p><b>Revised Implementation Date:</b> 31 December 2022</p>	<p>Employees can now complete monthly expense claims and timesheets for any additional hours worked and submit them on iTrent. These are then passed on to the staff member's line manager for authorisation and subsequently processed automatically for payroll. Any significant variances or anomalies in hours reported would be monitored by the Payroll team as part of the month-end process.</p> <p>There is a guide available to the staff members on how to submit the expenses and timesheets electronically.</p> <p>Some manual timesheets and expense claims are still in place as the uptake on the electronic submission has not been absolute. Employees complete the same template that would be submitted through iTrent but instead send it to their line manager by e-mail for authorisation who subsequently forwards it on to Payroll. These are then checked and processed in the monthly payroll run.</p> <p><b>Fully Implemented</b></p>



## Follow-Up Reviews 2022/23

Original Recommendation	Priority	Management Response	Agreed	To Be Actioned By	No Later Than	Progress Previously Reported	Progress at September 2023
2021/07 - Risk Management and Business Continuity Planning							
<b>R2</b> 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.	<b>3</b>	Agreed	Yes	Executive Management Team	30 September 2021	<p><b>September 2021</b> Within timescale. Management advised that the College will review the Risk Register to map to College KPIs.</p> <p><b>September 2022</b> The College is in the process of reviewing its Strategic Risk Register format and will consider the use of KPIs in the updated version of the register.</p> <p><b>Partially Implemented</b></p> <p><b>Revised Implementation Date:</b> 31 October 2022</p>	<p>The Strategic Risk Register has been updated to have an additional column which links to KPIs.</p> <p><b>Fully Implemented</b></p>





## Follow-Up Reviews 2022/23

Original Recommendation	Priority	Management Response	Agreed	To Be Actioned By	No Later Than	Progress Previously Reported	Progress at September 2023
<b>2022/02 – Student Recruitment and Retention</b>							
<b>R1</b> An internal student communications strategy should be developed, with input provided by the Marketing team, to ensure common messaging and provide more joined-up communication between Curriculum areas and Student Support. Consideration should also be given to an exercise to evaluate the optimal way of communicating key activity to students studying remotely (when planning internal communications, such as the use of WhatsApp / text messaging.	<b>3</b>	<p>We agree that a clear and more systematic approach to internal student communications would ensure more comprehensive coverage of key messages. Many curriculum areas have very effective local channels to communicate with their classes and no single approach ensures that college wide student messaging has the full reach that is often desired. This is a medium term project that will require input from various college functions including systems development, marketing, MIS and the Student Association. We will ensure that learner feedback is used to shape any developments.</p> <p>The college will develop a clear college wide strategy for internal communications and explore ways of enhancing the current communication channels in use.</p>	Yes	AP Quality & Performance and the AP Student Experience	30 September 2022	<p><b>September 2022</b> Initial discussions have taken place with the AP Student Experience and the Head of Marketing to discuss scoping and the main objectives in developing a new strategy. Management has also met with some external suppliers of software products that may enhance the impact in this area.</p> <p>Further work will continue to develop the key elements that are required for this strategy.</p> <p><b>Not Past Agreed Completion Date</b></p>	<p>Communication systems have been drawn together under the 'Come to Clyde' strategy which has enabled the College to develop an enhanced communication package that supports students from pre-entry engagement through the early stages of their learning experience. This has seen significant development work take place regarding admissions, enrolment, and onboarding with a refresh of induction delivered to students in August 2023.</p> <p>To support on-course communication, a new software system supports communication through digital screens and a combination of emails, texts, Teams messaging and Canvas alerts that are being utilised to ensure key messages are fully shared depending upon the nature of the communication and the desired audience.</p>



## Follow-Up Reviews 2022/23

Original Recommendation	Priority	Management Response	Agreed	To Be Actioned By	No Later Than	Progress Previously Reported	Progress at September 2023
R1 (continued)							<p><b>(continued)</b></p> <p>The development of these systems has involved a range of areas including Student Information, MIS, eLearning, GCCSA, Systems Development and Marketing at different stages. A new suite of Canvas courses has been developed by support areas under a 'My Student Services' heading to which all students will be automatically enrolled which will allow for a combination of messages, announcements, and alerts to be directed to students.</p> <p>A Student Communication Strategy has been drafted and is being consulted on amongst relevant internal stakeholders. The aim will be to launch this in October 2023.</p> <p>A working group will continue to evaluate the most effective methods to communicate with students and implement the most efficient and cost-effective channels to do this.</p> <p><b><i>Partially Implemented</i></b></p> <p><b>Revised Implementation Date:</b> 31 October 2023</p>





## Follow-Up Reviews 2022/23

Original Recommendation	Priority	Management Response	Agreed	To Be Actioned By	No Later Than	Progress Previously Reported	Progress at September 2023
<b>R2</b> A data analytics tool, such as Power BI, should be considered for use by Curriculum areas to support the analysis of risk reporting on student attainment and retention.	<b>3</b>	<p>A number of developments to support Curriculum Managers interrogate and access data have been introduced in the past few years – and the Course manager tool has been very well received. One of the next stages will be to introduce appropriate and user-friendly dashboards for key PIs. This is a medium-term project that will require support and resources from MIS, Systems Development and Curriculum and Quality Leaders.</p> <p>The college will consider and introduce the most appropriate data analytics tool to support the analysis of performance trends including retention and attainment.</p>	Yes	AP Quality and Performance	31 October 2022	<p><b>September 2022</b> A new PI Dashboard using Power BI has been created, tested, and shared with senior managers. Feedback has been very positive and further roll out will take place with Curriculum Managers and key stakeholders to utilise this tool as part of the Evaluation process.</p> <p><b>Not Past Agreed Completion Date</b></p>	<p>A Course PI Dashboard (using Power BI) is now fully implemented and being used by managers and teams – and includes data from current and previous academic sessions.</p> <p>It has also been supplemented recently by a new Subject PI Dashboard which allows staff to filter and analyse results to subject and unit level.</p> <p><b>Fully Implemented</b></p>



## Appendix II - Updated Action Plan

### Internal Audit Report 2022/06 - Teaching Staff Utilisation Business Process Review

#### High Priority Items

No	Short Description	Detail	Management Comments	Progress at September 2023
1	The process for reporting on teaching utilisation for workforce modelling purposes should be enhanced.	<p>There is no specific centralised and documented process for information sharing on teaching utilisation with a range of methods in place across the College, and inconsistency in the quality of information provided to management for accurate review of whole College teaching utilisation. For example, for faculties to monitor efficiency or to provide information on actual teaching utilisation for Finance review for accurate staff cost budget planning.</p> <p>Discussions held noted there is a mixture of different processes for analysing information using manual and automated reporting. While staffing establishment and budget information are held centrally, information on staff and actual teaching completed, work patterns for part time working and preparation time, and staff that are "serviced out", i.e., staff that are from one area used to cover workforce gaps in another, is held locally by Curriculum Managers.</p> <p>However, without a standardised process for information sharing, management reported it is a challenge to accurately review workforce capacity compared to demand and monitor actual teaching hours used to those planned. For example, discussions with Curriculum Managers noted workforce planning is inconsistent. Some Curriculum areas, like Computing, have developed their own tools to track workforce utilisation, whereas other areas are tracking this manually.</p> <p>The processes for information tracking and sharing and roles and responsibilities for workforce modelling should be better defined. This should be documented in a procedure that is communicated to all stakeholders involved.</p> <p>A digital solution should also be considered that will collate workforce utilisation information from the various information sources into one reporting tool, such as Power BI.</p>	<p>There is already a standardized spreadsheet recording template which faculties use to track staff deployment, although better connections could be made with other data sources and processes in the College.</p> <p>The College will document the overall procedure for information tracking and sharing for staff utilisation which will include defining the roles and responsibilities at each stage. This documented process will be communicated to all stakeholders involved.</p> <p><b>To be actioned by:</b> Deputy Principal/ Assistant Principal HR</p> <p><b>No later than:</b> 31 October 2022</p>	<p>In addition to the staff utilization spreadsheet which each faculty completes, the College has now added an additional temp staffing monitoring tool to keep an eye on temp staff spend since this is particularly critical to the financial recovery plan. This was deployed from August 2023 onwards and will be corroborated by monthly HR reports on temp staff spend.</p> <p><b>Fully Implemented</b></p>



## Follow-Up Reviews 2022/23

### High Priority Items (continued)

No	Short Description	Detail	Management Comments	Progress at September 2023
2	Consistent process for completing and reviewing timesheets	<p>Curriculum Managers are not following due process when reviewing timesheets completed by staff. Timesheets are completed manually by teaching staff and reviewed and submitted by Curriculum Managers to HR. However, feedback from management in HR noted that the process is disjointed, and some Curriculum Managers follow the process better than others. Information on timesheets can be often incomplete, incorrect, or submitted late. This can result in duplication of effort by HR Payroll staff who are double checking submissions.</p> <p>The standards around completing timesheets should be communicated to all Curriculum staff, including accountabilities for timesheets not being completed or submitted on time. The process around the completion and submission of timesheets by staff should be reviewed, and a digital solution explored.</p>	<p>A common system for checking timesheet records of staff teaching activity will be established for managers and this will improve the review process for submission. The standards around completing timesheets have been communicated to Curriculum staff and this will be done again including accountabilities for timesheets not being completed or submitted on time.</p> <p>The use of a digital solution is already being piloted using iTrent and this will be rolled out across the College (as already indicated in the payroll audit recommendation).</p> <p><b>To be actioned by:</b> Deputy Principal / Assistant Principal HR</p> <p><b>No later than:</b> 31 August 2022</p>	<p>Timesheets are now completed and approved electronically on iTrent.</p> <p>New monthly reports from HR will allow CAPs to check for any errors and anomalies in the year and take corrective action if required.</p> <p><b>Fully Implemented</b></p>



## Follow-Up Reviews 2022/23

Medium Priority Items				
No	Short Description	Detail	Management Comments	Progress at September 2023
3	Timely communication of teaching staffing establishment to Curriculum Managers	<p>The Curriculum staffing establishment is retained by HR on an Excel Spreadsheet that is updated from staffing information. Establishment information is provided to the Curriculum Assistant Principals and Curriculum Managers as requested during the year. However, this information is sometimes not provided to Curriculum Managers. This results in Curriculum Managers requesting information from HR separately, and duplication of effort by HR.</p> <p>A schedule should be constructed, whereby the staffing establishment is sent to Curriculum Managers by a key date as required and as part of the curriculum planning process.</p>	<p>A schedule for the completion and circulation of the staffing establishment during the academic session will be developed.</p> <p><b>To be actioned by:</b> Vice Principal Resources and College Development/ Assistant Principal HR</p> <p><b>No later than:</b> 31 July 2022</p>	<p>No update received.</p> <p><b><i>Partially Implemented</i></b></p> <p><b>Revised Implementation Date:</b> TBC</p>



## Follow-Up Reviews 2022/23

Low Priority Items				
No	Short Description	Detail	Management Comments	Progress at September 2023
4	Standardised approach to documenting and tracking absence cover	<p>There is a process established for managing teaching absence and there is one specific budget code used for tracking absence cover. However, there is absence of a consistent approach within faculties to documenting and tracking staff that are used to back fill absences. For example, where a member of staff is used to cover a staff absence, and another member of staff is used to back fill the cover.</p> <p>Without a standardised approach prescribed by management, Curriculum Managers have developed their own approaches to tracking cover for absences. Some reported having to "remember who does what". This could potentially impact the accuracy around staff expenditure if this is not logged correctly.</p> <p>A standardised approach to tracking absence cover and backfills should be developed, documented, and communicated to Curriculum Managers.</p>	<p>A standardised approach to tracking absence cover and backfills will be documented and communicated to Curriculum Managers.</p> <p><b>To be actioned by:</b> Deputy Principal</p> <p><b>No later than:</b> 31 July 2022</p>	<p>A new monitoring tool has been developed by HR which will be rolled out to Curriculum managers in the new academic session.</p> <p><b>Partially Implemented</b></p> <p><b>Revised Implementation Date:</b> 30 September 2023</p>
5	Effective communication of work patterns by Curriculum Managers to HR	<p>HR reported that the communication of teaching staff work patterns, including preparation time, is not as effective as it could be. There is a process for which work patterns are requested by HR and input onto a simple recording spreadsheet by Curriculum Managers. However, this is not being completed accurately in all cases. This can impact the accuracy of information held and therefore accuracy in pay deductions, such as when the individual is on strike.</p> <p>The process for communicating work patterns to HR should be reviewed to ensure that Curriculum Managers communicate staffing information and changes to work patterns effectively to HR.</p>	<p>The process for recording work patterns which can be communicated to HR should be reviewed to ensure that Curriculum Managers communicate correct staffing information and changes to work patterns effectively to HR.</p> <p><b>To be actioned by:</b> Deputy Principal</p> <p><b>No later than:</b> 31 August 2022</p>	<p>Faculties have improved their work pattern recording and there have been no issues this year in calculating owed holidays.</p> <p><b>Fully Implemented</b></p>





## Appendix III - Updated Action Plan

### Internal Audit Report 2022/07 - Teaching Space Management / Room Utilisation Business Process Review

High Priority Items				
No	Short Description	Detail	Management Comments	Progress at September 2023
1	Policies and procedures relating to teaching space allocation and utilisation should be developed	<p>Discussions with Curriculum Managers noted that they were unaware around the context of how rooms are allocated to curriculum areas for management and potential that allocations are aligned to historical curriculum needs.</p> <p>There is an established approach for space utilisation; however, it requires review and updating. The approach should therefore reflect the standards for teaching room allocations and bookings. For example, the arrangements for assessing teaching space needs and allocating teaching space to curriculum areas, room conflict resolution, booking of multi-use space such as lecture space or examination space, or booking of centralised spaces for teaching purposes.</p> <p>The space allocation approach should also document the arrangements for change requests in rooms allocated as the curriculum evolves, such as when teaching rooms allocated no longer meet the needs of changes in curriculum. For example, through the review of the business cases relating to new curriculum space including room use requirements and possible changes to be assessed and agreed by the Curriculum Assistant Principals (CAPs) Group. Discussions with Curriculum Managers noted that room allocations be reflective of the curriculum needs.</p>	<p>The approach to teaching room allocations will be reviewed, documented, and communicated to all stakeholders.</p> <p><b>To be actioned by:</b> Vice Principal Resources and College Development/ Deputy Principal</p> <p><b>No later than:</b> 31 August 2022</p>	<p>A rooming policy and procedure has been written and shared with stakeholders.</p> <p><b>Fully Implemented</b></p>



## Follow-Up Reviews 2022/23

### High Priority Items (continued)

No	Short Description	Detail	Management Comments	Progress at September 2023
2	Usage of the Master Room Spreadsheet by Curriculum Managers	<p>The recently introduced Master Room Spreadsheet used to track teaching room bookings across the College is not being used as intended, despite training provided to Curriculum Managers and guidance documented. This is in part due to Curriculum Managers being new to their roles after the restructure in 2021. The use of the Master Room Spreadsheet also requires time to embed.</p> <p>However, the process for timetabling is manual and information on the Master Spreadsheet is not being updated with changes in rooms which undermines confidence in the data on the spreadsheet.</p> <p>We noted rooms used and timetable changes are being tracked locally. However, the process for tracking is inconsistent between Curriculum Managers (see <b>Recommendation 3</b>).</p> <p>Curriculum Managers should be reminded to comply with the guidance on using the Master Room Spreadsheet and the information should either be consistent with Unit-e or be held in Unit-e.</p>	<p>The procedure for use of the Master rooming spreadsheet will be revised and communicated to all stakeholders within the faculties. Curriculum Managers will be reminded to comply with the guidance on using the Master Room Spreadsheet.</p> <p><b>To be actioned by:</b> Deputy Principal</p> <p><b>No later than:</b> 31 August 2022</p>	<p>This has been communicated to curriculum managers and levels of compliance have improved. However, it is hoped that this will be automatically populated from CRS data.</p> <p>A prototype system for automatically publishing rooming data for the whole College has been created. This works but does rely on accurate CRS data.</p> <p>The CRS data for session 2023/24 has been hampered by changes to SFC funding rules which have required all timetables to be changed in late June.</p> <p><b>Partially Implemented</b></p> <p><b>Revised Implementation Date:</b> 31 December 2023</p>



High Priority Items (continued)

No	Short Description	Detail	Management Comments	Progress at September 2023
3	A consistent process for timetabling by Curriculum Managers should be established.	<p>Discussions with Curriculum Managers and the CAPs Group noted that the process of timetabling is not consistent, often manual, and there is some duplication of effort as the timetabling process is prepared for each of the three blocks during the academic year and then transcribed into both the Master timetable and the Course Record Setup (CRS) form.</p> <p>For example, Curriculum Managers will roll forward previous timetables and review room availability on the Master Room Spreadsheet. They then create the timetables. In some cases, this is a manual process using timetables drawn by hand. In other cases, such as Computing, the Curriculum Manager has designed a spreadsheet / database that supports the timetabling process and automates the selection of staff and rooms and provides trend reports.</p> <p>Information from the draft timetables is updated onto CRS Forms, that contains curriculum information to allow for the generation of registers on Unit-e. Information on CRS Forms are provided to and inputted into Unit-e by Curriculum Support Assistants (CSAs). The process is repeated three times per year when planning for Block 1, 2 and 3.</p> <p>A consistent approach to timetabling and tracking timetable changes should be developed with Curriculum Managers. The schedule of the timetabling to once per year should also be considered. Preparation time could also be factored into timetabling however this is not related to room locations.</p>	<p>A consistent approach to timetabling and tracking timetable changes will be developed and communicated to stakeholders including Curriculum Managers.</p> <p><b>To be actioned by:</b> Deputy Principal</p> <p><b>No later than:</b> 31 October 2022</p>	<p>The rooming policy and procedure has been written and communicated to managers although it is hoped that this process could be assisted by some level of automation.</p> <p>A new tool called Cedar is being investigated from early August which may greatly assist rooming at low or no cost.</p> <p>Dependent on whether the Cedar tool is taken up – if it is, it could be piloted in December 2023.</p> <p><b>Partially Implemented</b></p> <p><b>Revised Implementation Date:</b> 31 December 2023</p>





High Priority Items (continued)				
No	Short Description	Detail	Management Comments	Progress at September 2023
4	Consistent approach for communicating timetables	<p>There should be a clear process for communicating timetables for blocks to students and staff, with a timeline for publishing timetables e.g., before the summer break for Block 1.</p> <p>Currently, communication of timetabling to students and staff varies for each Curriculum Manager. For example, using the Virtual Learning Environment was used but discussions noted that WhatsApp, email, or hard copy onsite. An internal communication plan should be established to standardise the communication process. There also needs to be an agreed standard layout of timetables.</p>	<p>The existing process for communicating timetables for blocks in a consistent format to students, will be refreshed.</p> <p><b>To be actioned by:</b> Deputy Principal</p> <p><b>No later than:</b> 30 August 2022</p> <p>A project looking at automating this process based on CRS data will be explored.</p> <p><b>To be actioned by:</b> Deputy Principal</p> <p><b>No later than:</b> 30 April 2023</p>	<p>A prototype system can now publish timetables electronically for every student in the College. This will help resolve enquiries for frontline and reception staff. The College is currently investigating a location where this data could be held to make it easily accessible to students.</p> <p><b>Partially Implemented</b></p> <p><b>Revised Implementation Date:</b> 31 December 2023</p>



Medium Priority Items				
No	Short Description	Detail	Management Comments	Progress at September 2023
5	Digitising the timetabling and room booking process	<p>Given the level of manual working and inconsistencies across the curriculum areas in relation to timetabling, and inefficiencies around identifying room availability, management should consider digitising the process.</p> <p>Unit-e also does not red-flag double bookings because it is a student records system rather than a room booking system. Our walkthrough of Unit-e with MIS noted an example where a review of a course timetable had two differently titled classes booked under the same room. The use of a global room booking IT system, such as Celcat or similar, should be considered to support standardisation of the timetabling process and remove much of the manual intervention noted. It should also help to bring the following advantages to the College:</p> <ul style="list-style-type: none"> <li>• A single system to track the status of room bookings, allowing Curriculum Managers sight of room availabilities at any one time,</li> <li>• Linkage to Estates or Facilities Management when there is maintenance scheduled in a teaching room,</li> <li>• Link into wider space and centralised room bookings, such as halls for examinations or use by teaching,</li> <li>• Linkage to curriculum outlook calendars for tracking timetable changes,</li> <li>• One output for timetables for staff and students, and</li> <li>• System to allow for management information and trend reporting on room utilisation to allow management review of areas of under or over utilisation.</li> </ul> <p>MIS Management have expressed interest in supporting a project to implement a system. When reviewing options, a strategic business case should be developed based on user need analysis with Curriculum Managers, CAPs, Estates, IT and senior management. Good practice project management methodology should also be adopted.</p>	<p>The College will set up a project task group to investigate the potential of purchasing or internally developing a digital teaching room allocation / booking system.</p> <p><b>To be actioned by:</b> Deputy Principal/ Vice Principal Resources and College Development</p> <p><b>No later than:</b> 30 June 2022 - to establish project task group with deliverables by 31 May 2023.</p>	<p>A project task group was set up and a number of products examined such as Celcat and Resource Manager. Resource Manager is currently too complex for Curriculum Managers to use directly, whilst Celcat does not appear to produce useful output reports given the cost of the software and the resource required to maintain the system. It is also moving to a new version which most of the sector do not use.</p> <p>The group has decided to investigate an alternative to Resource Manager called Cedar.</p> <p><b>Partially Implemented</b></p> <p><b>Revised Implementation Date:</b> 31 December 2023</p>



## Follow-Up Reviews 2022/23

Low Priority Items				
No	Short Description	Detail	Management Comments	Progress at September 2023
6	Process for auditing teaching space utilisation and feedback on room suitability	<p>Previously a manual survey of teaching space utilisation did occur by Estates however this was not accepted by all stakeholders and the practice was stopped. There is also absence of a process for formally gaining feedback on the effectiveness of space used, e.g., through survey of student and curriculum staff, so to bring into any continuous improvement and evolutions of the College's Estate Strategy.</p> <p>Both the Student Association and Curriculum Managers interviewed noted they would support the completion of survey by students and curriculum staff, respectively.</p> <p>Management action plans from review of teaching room audits with support from the Estates department and survey should be fed back to Curriculum Managers and students through the CAP Group.</p>	<p>The College will consider how to use feedback from room users (students and staff) into future room allocation planning as part of the annual reallocation discussions.</p> <p><b>To be actioned by:</b> Vice Principal Resources and College Development</p> <p><b>No later than:</b> 31 October 2022</p>	<p>No update received.</p> <p><b>Partially Implemented</b></p> <p><b>Revised Implementation Date:</b> TBC</p>
7	Application of the policy for student use of teaching rooms during non-teaching time	<p>There is a policy established for the use of teaching rooms by students during non-teaching times that is not well understood by Curriculum Managers and is being inconsistently applied. For example, some areas will allow access to a particular teaching room for students during breaks/ lunches, whereas others do not.</p> <p>The policy for use of teaching rooms at times out with the core teaching times should be communicated to Curriculum Managers.</p>	<p>Students are not permitted due to Health and Safety reasons to have unsupervised access to teaching spaces out with teaching times. This will be more widely communicated or re-communicated.</p> <p><b>To be actioned by:</b> Vice Principal Resources and College Development</p> <p><b>No later than:</b> 30 June 2022</p>	<p>This has been discussed at H&amp;S campus forums and will be reemphasized.</p> <p><b>Fully Implemented</b></p>



## Appendix IV - Updated Action Plan – Internal Audit Report 2023/03 – Cyber Security

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at September 2023
<b>R1</b> A programme of mandatory cyber security training should be developed for staff and summary guidance made available to students to mitigate information security risks. For staff the training should cover: <ul style="list-style-type: none"> <li>the College's IT security policies and procedures;</li> <li>cyber security risks and strategies for defence, covering internet safety, mobile and home working, phishing, and prevention against malware;</li> <li>regular updates and training on the security risks to the College; and</li> <li>promoting an incident reporting culture.</li> </ul>	2	It is intended to introduce twice yearly training for staff however this may be difficult to achieve fully across the College and will need to be appropriate based on roles e.g. catering and cleaning staff have limited access to ICT in their roles and to even undertake any training. In relation to students, this is a very diverse group including students with additional needs and limited English language skills so this will need to be tailored to be appropriate. The College is considering what could be included in the student induction process.	Vice Principal Resources and College Development	31 August 2023	<p>It is intended to introduce twice yearly training for staff. This may be difficult to achieve fully across the College and will need to be appropriate based on roles e.g. catering and cleaning staff have limited access to ICT in their roles and to even undertake any training. In relation to students, this is a very diverse group including students with additional needs and limited English language skills so this will need to be tailored to be appropriate.</p> <p><b>Little or No Progress Made</b></p> <p><b>Revised Implementation Date:</b> 30 November 2023</p>
<b>R2</b> Ensure that a formal programme of refresher training is established for staff users with a risk-based approach adopted in identifying the frequency of refresher training requirements.	3	The College is planning to introduce twice yearly cyber security training updates for staff. As indicated above this may be tailored dependent on roles.	Vice Principal Resources and College Development	30 June 2023	<p>The College is planning to introduce twice yearly cyber security training updates for staff. As indicated above this may be tailored dependent on roles.</p> <p><b>Little or No Progress Made</b></p> <p><b>Revised Implementation Date:</b> 30 November 2023</p>



## Follow-Up Reviews 2022/23

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at September 2023
<b>R3</b> Mechanisms should be established for assessing the effectiveness and value for money of the security training provided to staff. The areas of the organisation that regularly feature in security reports, or achieve the lowest scores from ethical phishing campaigns, or provide unfavourable feedback from information security questionnaires, should be a focus for further tailored training activity.	<b>2</b>	The College will put in place feedback mechanisms for future cyber security training for staff.	Vice Principal Resources and College Development	30 June 2023	<p>The College will put in place feedback mechanisms for future cyber security training for staff.</p> <p><b><i>Little or No Progress Made</i></b></p> <p><b>Revised Implementation Date:</b> 30 November 2023</p>
<b>R4</b> Establish mandatory requirements within procurement procedures for relevant suppliers to provide evidence of current cyber security certifications. Also ensure that relevant suppliers provide copies of recertifications when these are due.	<b>3</b>	The College uses National Framework agreements which are centrally assessed for risk. Therefore, the College will liaise with Advanced Procurement for Universities and Colleges (APUC) to identify how best to respond to this recommendation.	Assistant Principal Finance and Infrastructure	30 April 2023	<p>APUC has advised that it has started to request recertification with its systems tenders and is also asking suppliers to upload all insurance documents annually to the supply chain management portal, so that it is kept up to date.</p> <p><b><i>Fully Implemented</i></b></p>



## Appendix V - Updated Action Plan – Internal Audit Report 2023/05 – Curriculum – VLE Platform

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at September 2023
<p><b>R1</b> The Digital Expectations for Teaching and Learning policy should be updated so that it clearly sets out the expected standard for both curriculum delivery and record keeping on Canvas.</p> <p>The Digital Expectations for Teaching and Learning policy should be communicated to teaching staff at the beginning of each academic terms in order to define expectations and drive consistency in its application across the College.</p>	<b>3</b>	<p>The Digital Expectations for Learning and Teaching Framework will be updated and used with staff and students to raise expectations and strengthen the appropriate use of digital technologies in learning, teaching and assessment. More intelligence led and targeted digital training will also be offered to ensure all staff are confident and capable of utilising digital and blended approaches where it adds value to the learning experience. The College will also continue to take cognisance of Education Scotland's continuing expectation for colleges to focus on digital and blended approaches with the strong link to improving student outcomes, retention and attainment.</p>	AP Quality & Performance	31 August 2023	<p>The Digital Expectations for Learning and Teaching Framework has been updated for 2023/24 with input from eLearning and Teaching Fellows. This takes account of using Canvas and digital approaches effectively and also makes reference to how Artificial Intelligence (AI) can support curriculum delivery.</p> <p>It is proposed that this will be officially launched and communicated to all teaching staff in October 2023, but it was circulated to Curriculum Managers as part of a soft launch in September 2023.</p> <p><b>Fully Implemented</b></p>



## Follow-Up Reviews 2022/23

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at September 2023
<p><b>R2</b> To support students at the beginning of each academic year, the resource requirements (people and time) should be assessed, defined, and reflected within forward planning documentation, to ensure that sufficient support is available during periods of peak demand.</p> <p>The arrangements put in place for support should be communicated to students.</p>	<b>3</b>	A new system of onboarding is being developed and will be implemented in June 2023 and will be supported by further development through July and August.	Assistant Principal Student Experience	31 August 2023	<p>Improvements to the onboarding of students have been implemented for session 2023/24 as part of the Come to Clyde Strategy. This has included a streamlining of the joining process and targeted information regarding ICT account set-up, VLE registration and development of resources to support onboarding.</p> <p><b><i>Fully Implemented</i></b></p>



## Appendix VI - Updated Action Plan – Internal Audit Report 2023/06 – Performance Reporting / KPIs

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at September 2023
<p><b>R1</b> The Learning and Teaching Committee should consider adopting the same format of KPI reporting as the other sub-committees, and include information such as:</p> <ul style="list-style-type: none"> <li>• KPI reporting frequency.</li> <li>• Any targets or appropriate benchmarking, and</li> <li>• RAG rating.</li> </ul> <p>Consideration should be given to the reporting of performance indicators which would provide assurance to the L&amp;T Committee on the delivery of the "unrivalled student experience" strategic theme.</p>	<b>3</b>	The KPI report for the Learning and Teaching Committee will be reviewed to include frequency, targets as appropriate, and RAG rating. Plus PIs on unrivalled student experience will be considered.	Deputy Principal	31 October 2023	<p>This is in progress and will be in place for the next meeting of the Learning and Teaching Committee.</p> <p><b><i>Not Past Agreed Completion Date</i></b></p>





## Follow-Up Reviews 2022/23

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at September 2023
<p><b>R2</b> Good practice would promote the definition and identification of the 'key' strategic and operational performance indicators that must be monitored by the SLT. These should be clearly mapped to the KPIs monitored by the Board's sub-Committees to ensure consistency in terminology and the reporting needs of the Board.</p> <p>A decision should be taken on whether other performance indicators should be monitored by the SLT as a group, or whether monitoring can be delegated to relevant management teams.</p> <p>Details on the group with responsibility for monitoring the status against targets should be defined (e.g., SLT, Committee) and the frequency of their review should be captured on the College Strategic Plan "Targets table". This will ensure organisational knowledge retention and transparency on arrangements.</p>	<b>3</b>	The suite of 38 KPIs and 60 targets will be reviewed to assess those which are "key", and consideration given to including where they should be monitored and how frequently on the Strategic Plan Targets table.	Vice Principal Resources and College Development	31 October 2023	<b><i>Not Past Agreed Completion Date</i></b>



## Follow-Up Reviews 2022/23

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at September 2023
<p><b>R3</b> For each KPI identified as part of <b>R2</b>, a high-level description of the processes required to monitor their status should be documented. For example, data sets and systems used should be captured on the College Strategic Plan "Targets table", in line with good practice.</p> <p>This can then be used by management to assess the resource requirements (people and time) to effectively monitor and report to the relevant management group.</p> <p>The two KPIs identified in the observation should be reviewed by management to ensure that they are not duplicating reporting.</p>	<b>3</b>	<p>A high-level description of the processes to monitor the status of KPIs will be documented.</p> <p>The two KPIs identified in the observation are relevant separately for each of the two themes and related objectives.</p>	Vice Principal Resources and College Development	31 October 2023	<b><i>Not Past Agreed Completion Date</i></b>



## Appendix VII - Updated Action Plan – Internal Audit Report 2023/07 – BYOD

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at September 2023
<b>R1</b> The College should develop a BYOD policy that includes: <ul style="list-style-type: none"> <li>• policy scope and purpose;</li> <li>• minimum device specifications for compatibility with College systems;</li> <li>• security measures;</li> <li>• data protection;</li> <li>• acceptable use;</li> <li>• technical support;</li> <li>• College and student liability and responsibility for devices; and</li> <li>• communication and training.</li> </ul>	2	College Policies are relatively high-level documents so instead BYOD Guidelines will be developed to meet this recommendation.	Assistant Principal Finance and Infrastructure and Head of ICT	September 2023	BYOD Guidelines have been developed and issued to students via the College website and the VLE Canvas. They have also been published on the staff intranet.  <b>Fully Implemented</b>
<b>R2</b> A review of funding opportunities to support the re-instatement of the Student Helpdesk should be undertaken. This should include availability of national funding schemes as well as utilising College funds through efficiency savings, if possible. Applications to the Glasgow Clyde Education Foundation should also be considered.	3	The College will investigate options for funding a Student Helpdesk going forward, however it should be noted that these are likely to be very limited and GCEF do not usually fund recurring costs.	Vice Principal Resources and College Development	October 2023	The only funding that is currently available is SFC Digital Poverty Capital funding which can only be used to purchase ICT equipment for FE and HE students to access learning so it is not currently possible to reinstate a Student ICT Helpdesk. If any future funding does become available, the College will reconsider this recommendation.  <b>Fully Implemented</b>



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# Glasgow Clyde College

## Internal Audit Progress Report

Audit Committee: 27 September 2023

Issued: 20 September 2023





## Internal Audit Progress Report September 2023

Progress in delivering the annual plan for 2022/23 is shown below.

Audit Area	Planned reporting date	Report status	Report Number	Overall Conclusion	Audit Committee	Comments
Annual Plan 2022/23	May 2022	Draft 16/05/22 2 <sup>nd</sup> Draft 21/09/22 Final	2023/01	N/A	25/05/22 28/09/22	
Curriculum – VLE platform	May 2023	Draft 27/04/23 Final 17/05/23	2023/05	Good	31/05/23	
Student Engagement / Students Association	March 2023	Draft 24/02/23 Final 27/02/23	2023/02	Good	08/03/23	
Student Fees and Contracts / Registry	March 2023	Draft 02/03/23 Final 02/03/23	2023/04	Good	08/03/23	
Performance Reporting / KPIs	May 2023	Draft 28/04/23 Final 23/05/23	2023/066	Good	31/05/23	
Cyber Security	March 2023	Draft 24/02/23 Final 28/02/23	2023/03	Satisfactory	08/03/23	
BYOD	May 2023	Draft 23/05/23 Final 23/05/23	2023/07	Satisfactory	31/05/23	



Audit Area	Planned reporting date	Report status	Report Number	Overall Conclusion	Audit Committee	Comments
Follow-Up Reviews	September 2023	Draft 14/09/23 Final 20/09/23	2023/08	N/A see comments	27/09/23	12 Fully Implemented 9 Partially Implemented 3 Little or No Progress Made 3 Not Past Agreed Completion Date 27 in total
Credits	November 2023					Fieldwork commenced 04/09/23 – at manager review stage and waiting on final FES / College certificates to complete work.
Student Support Funds	November 2023					Fieldwork delayed from originally agreed start of 06/09/23 due to industrial action at the College. Initial information received 18/09/23.

Gradings are defined as follows:

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



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## AUDIT COMMITTEE MEETING

<b>Date of Meeting:</b>	27 September 2023
<b>Paper Title:</b>	College Strategic Risk Register
<b>Action:</b>	For Discussion
<b>Prepared by:</b>	Jon Vincent, Principal & Chief Executive
<b>Agenda Item:</b>	23.40
<b>Status:</b>	Disclosable

### 1. PURPOSE OF THE REPORT

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

### 2. ACTION FOR THE COMMITTEE

- 2.1 Audit Committee members are invited to discuss this paper.

### 3. BRIEF BACKGROUND INFORMATION

- 3.1 The Strategic Risk Register is updated regularly and considered at least quarterly by College senior management. The Register was refreshed ahead of the start of this academic year.

### 4. SUPPORTING DOCUMENTATION/ FURTHER INFORMATION

- 4.1 **Annex 1:** College's Strategic Risk Register as at 17 September 2023

There are 13 key risks in the Strategic Risk Register of which 2 (3) have a high residual risk score after mitigating actions, 8 (5) have a medium residual risk score and 3 (5) have a low residual risk score.

Note: figures provided in brackets are those presented to the previous committee meeting.

- 4.2 The three highest risks after mitigating action in the College Strategic Risk Register are as follows:

#### **Risk 1 – Failure to manage financial sustainability through period of financial plan**

There are a range of impacts from the 2023/24 college budget and financial plan which will be challenging including unfunded pay awards and inflation pressures against a backdrop of flat cash from SFC income over the next five years. This are very significant risks that have been regularly reported on to the Board of Management and discussions are ongoing. The budget for 2023/24 anticipates at large deficit at the year-end (circa £2.6m) and a risk of negative cash balances. Reduction in non-pay budgets have taken place and the downsizing of staffing

levels is on-going through an unfunded Voluntary Severance scheme. A further bid to GCEF is planned for funds to maintain the financial stability of the College during a period of downsizing.

**Risk 2 – Implications of national bargaining and possible negative impact on employee relations**

This is a high risk given the potential financial impacts on the College, and the sector, of national bargaining and unfunded pay awards as well as negative employee relations risks if there is to be further disruption through industrial action. Members of the main lecturers' trade union have been undertaking Action Short of a Strike (ASOS) since spring 2023 and this primarily involves a resulting blockade. However, in September and October 2023 strike action has taken place (or are planned). Members of the support staff trade unions Unison and Unite also participated in strike action on 7 and 12 September 2023. GMB union members have voted to accept the latest offer. The rejected 'full and final' pay offer made by College Employers Scotland to both lecturers and support staff is £2k consolidated for 2022/23 and £1.5k consolidated for 2023/24. The costs of this pay award to Glasgow Clyde College would be circa £3.5m and the Scottish Government have confirmed to the College sector that they are not able to assist with the costs.

**Risk 11 - Failure to maintain and develop appropriate accessible, dynamic, flexible learning and social spaces which is fit for purpose for teaching and learning and staff working environment**

As a result of incidents in public buildings constructed from Reinforced Autoclaved Aerated Concrete (RAAC), on 9 August 2023 the Scottish Funding Council asked all Colleges to undertake survey work on their building to ascertain if RAAC is presented. The College commissioned its professional advisors Doig & Smith to undertake the survey work. Initial work identified RAAC as present in two areas of the Cardonald campus (not the Tower Building) and potentially in the Mary Stuart Building at the Langside campus. Follow-up works confirmed the presence of RAAC in the Boiler House and Sports Complex at Cardonald campus. These works also clarified that RAAC was not present in the Mary Stuart Building. The condition of the RAAC in the Boiler House is poor, this area has been closed and further survey work by a structural engineer have been commissioned. RAAC has been used extensively in the construction of roof sections throughout the Cardonald campus Sports Complex however the majority is in good condition and present no risk. However, there are areas where the RAAC is in a poor and potentially dangerous state, these areas have been closed and will be subject to survey work by the structural engineer. To date, neither the SFC or Scottish Government have communicated a plan with regard to the management or removal of RAAC.

- 4.3 There are two risks where the residual risk score is above the College's Risk Appetite of Open which are risks 1 and 2, both being at a score of 20.

For **Risk 1** which is failure to manage financial sustainability through the period of the financial plan, this risk score was increased to be above the risk appetite following discussion at the Board of Management meetings since October 2022, and the Board have tasked College management with providing a planned approach to improving College financial sustainability including how efficiency will be improved, costs decreased, prioritising the most successful areas of the curriculum over others, and developing any further revenue streams. This is being reported upon at each Finance and Resources Committee and an update given to each Board meeting as well as a target for savings being set and reported on to the Chair.

For **Risk 2** which is related to implications of national bargaining and possible negative impact on employee relations there is a limit to what the College can control in relation to this risk given it is as a result of a national process however the College fully engages with related Employee Association, Principal and HR College Group discussions and communicates both formally and informally with the unions and staff.

## **5. RISKS**

- 5.1 The College Strategic Risk Register is a key part of the College's risk management framework.
- 5.2 The College is required to have a risk register as part of the Financial Memorandum and the risks cause and potential consequences are shown within the College Strategic Risk Register.

## **6. ANY OTHER SIGNIFICANT IMPACT eg STUDENT EXPERIENCE/LEGAL/FINANCIAL/EQUALITY & DIVERSITY**

- 6.1 Each of the risks in the College Strategic Risk Register reflect the current assessment of the key areas of College activity across the risks in delivering the Strategic Plan which include student experience, legal, financial, and equality and diversity matters.

GLASGOW CLYDE COLLEGE - STRATEGIC RISK REGISTER																	
Risks linked to the five strategic plan themes																	
As at- 17/09/2023 Key for Risk Appetite Residual Score Comparison: 1-6 = Averse, 7-9 = Minimalist, 10-14 = Cautious, 15-19 = Open, 20-25 = Hungry																	
Risk Score Before Mitigating Actions						Risk Score After Mitigating Actions											
Risk Ref	Risk Description - Risk Cause	Potential Consequences	Probability	Impact	Risk Score	Mitigating Actions	Probability	Impact	Risk Score	Score compared to College risk appetite (see key above)	Link to Strategic Theme(s)	Risk Owner	Links to KPIs	Previous score at last report to Board	Increasing/ Decreasing/ No Change		
1	Failure to manage College financial sustainability through period of financial plan	Financial sustainability Inability to meet obligations Inability to remain going concern Reputational risk Legal implications Not complying with SPFM Strained relationship with GCRB and SFC Pressures from national bargaining terms and conditions implications Implications for staffing	5	5	25	i) Revenue budget for 2023/24 and future years' financial plan being prepared although not able to achieve break even and seeking to achieve significant staff reductions. ii) Financial plans developed by College Senior Leadership Team for reduced credits activity and monitored within framework of available activity through Glasgow Regional plans for funding for teaching, student support funds and capital. Portfolio planning key element of cost base and monitored on ongoing basis iii) Cost reduction plans continue to be implemented with reduction in staff levels and significant cuts in non-staff budgets across the College. iv) Process of review of all areas to seek cost reductions, as well as seeking further efficiency through improved business processes. v) Successful bid to GCEF for additional funding support from November 2020 ongoing into 22/23. New bid to GCEF for 23/24 planned.	4	5	20	Higher than risk appetite (Hungry). Reporting to each Board from December.	5 - Financial Resilience through Operational Excellence	Principal/ Deputy Principal & Vice Principal	Annual operating position	20	No Change		
2	Implications of national bargaining and possible negative impact on employee relations	Reputational risks Poor industrial relations Potential service disruption through removal of labour e.g. strikes, action short of strike Loss of goodwill	5	5	25	i) Engagement with national process. Representation made through College Employers Scotland, Colleges Scotland, Principals Forum, and GCRB, within national bargaining process. ii) Emphasis made on imperative of financial sustainability and affordability issues particularly given increased staffing costs and flat cash SFC funding. iii) Relationships locally to maintain and build communications on national negotiations. Focussed work with Trade Unions, specific and regular meetings with senior management, ensuring good flow of information, and ongoing communications on any national matters iv) Effective clear, consistent communications in College with unions and with wider stakeholders and related message management v) Ensure proper consultation and early engagement on any local changes vi) Business continuity planning used to ensure all stakeholders appropriately communicated with in any potential industrial action vii) Engage with awarding bodies on any potential service changes	5	4	20	Higher than risk appetite (Hungry) As this relates to a national process there is a limit on mitigating actions possible, hence residual score still higher than risk appetite.	4 - Employer of choice 5 - Financial Resilience through Operational Excellence	Principal/ Assistant Principal HR	Annual operating position	20	No Change		
3	Failure to achieve SFC credits target and clawback of funding	Reputational risk with SFC, GCRB Financial risk Not meeting needs of community and employers	5	5	25	i) Major redesign of curriculum due to 10% reduction in credits levels for 23/24. Focus on achieving new credits targets with staff reductions being implemented in resultant. ii) Work within 2% tolerance of new credits target. Early withdrawals funding cut off date for full time programmes now earlier. iii) Systematic monitoring of credits levels throughout the year iv) Efficient deployment of human and physical resources to deliver the curriculum and credits	3	3	9	As per Risk Appetite (Open)	3 - Unrivalled Student Experience 5 - Financial Resilience through Operational Excellence	Deputy Principal	Credits target measure	16	Decreasing		
4	High Impact Business Continuity incident for College e.g. cyber attack, pandemic, fire, long term power loss, power rationing	Business interruption Impact on ability to meet future obligations Impact on student outcomes Legal implications Data protection issues Potential loss of essential data	4	5	20	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) Business interruption insurance and cyber security insurance in place. iv) Systems/services cloud based and using VPN/remote desktop for staff to access systems while home working. v) Infrastructure designed not to have single points of failure with all campuses operating a sophisticated dual-core network topology. vi) 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. vii) ICT backup procedures and Disaster Recovery planning. Cyber essentials+ status maintained. viii) Fraud response plan in place	3	5	15	As per Risk Appetite (Open)	5 - Financial Resilience through Operational Excellence	Vice Principal - Resources & College Development	Health and Safety KPIs	15	No Change		
5	Failure to achieve the College Climate Change Action Plan and carbon reduction targets	Environmental impacts Financial impacts Failure to meet needs of customer base through carbon training/ carbon literacy Reputational risk Stakeholder relationships	5	5	25	i) College Climate Change Action Plan in place ii) Carbon reduction target set over life of the climate change plan iii) College Climate Change group established and meets regularly iv) Glasgow Clyde College signed up to Race to Net Zero pledge v) Carbon emissions data monitoring by campus on quarterly basis vi) Plans being developed to reduce utilities consumption through enhanced monitoring and targeted investment vii) Carbon literacy training for staff and students being developed viii) Plan to incorporate sustainability into wide range of College courses ix) Membership of Regional Green Team x) Annual Participation in Global Goals teach In	3	3	9	Lower than Risk Appetite (Minimalist)	1 - Inspirational Learning and Teaching 5 - Financial Resilience through Operational Excellence	Vice Principal Resources & College Development	Sustainability KPIs measure	9	No Change		

Risk Ref	Risk Description - Risk Cause	Potential Consequences	Risk Score Before Mitigating Actions			Mitigating Actions	Risk Score After Mitigating Actions				Link to Strategic Theme(s)	Risk Owner	Links to KPIs (to be completed for future reporting)	Previous score at last report to Board	Increasing/Decreasing			
			Probability	Impact	Risk Score		Probability	Impact	Risk Score	Score compared to College risk appetite (see key above)								
6	Failure to deliver full range of support for all staff including for their health and well being.	Absenteeism Impact on student experience Impact on quality of service Low staff motivation Possible backfill costs Reputational risk	3	4	12	i) Modules on wellness available to staff via the VLE ii) Sessions held during staff development days iii) Employee assistance programme iv) Support for work life balance arrangements v) Commitment to blended working vi) College Healthy Working Lives Group and related activities for staff vii) Occupational health reviews viii) Creation of some staff networks being considered ix) Active campus officer commencing in September x) College Help At Hand service for staff	3	3	9	Lower than Risk Appetite (Minimalist)	3 - Unrivalled Student Experience 4 - Employer of choice 5 - Financial Resilience through Operational Excellence	Assistant Principal HR	Health and Wellbeing and Training KPIs measures	9	No change			
7	Not achieving target levels of student success through retention, attainment and progression	Low pass rates Impact of action short of strike on measuring attainment Reputational risk Sustainability risk through low internal progression Financial risk e.g. Modern Apprenticeships Employer relationship risk	4	4	16	i) Effective use of data to monitor student attendance and attainment ii) Implementation of more effective interventions in relation to "at risk" factors for student retention iii) Providing effective advice and guidance for students iv) Providing effective monitoring of evaluation measures by course teams v) Provision of highly effective inspiring and engaging learning and teaching approaches vi) Provision of formative and summative assessment approaches vii) Effective student feedback mechanisms viii) Digital access to learning and teaching materials to support learning through use of the VLE	3	3	9	Lower than Risk Appetite (Minimalist)	1 - Inspirational Learning & Teaching 3 - Unrivalled Student Experience	Deputy Principal	Student Experience KPIs	9	No change			
8	Risk of not having culture of effective, capable leaders who are motivated and have ability to take staff with them.	Not developing College leadership skills Not delivering on strategic themes Failure to deliver on values Potential legal action Reputational risk Loss of key expertise Lack of scrutiny across strategic areas of the College Failure to achieve College mission and vision Tension arising from necessary actions to address College financial challenges	4	5	20	i) CPD for managers and leaders at all levels of the organisation ii) Leaders well sighted on any issues and escalate them if required iii) College Leadership Charter and Leadership Framework in place iv) Personal Development Review/Plan process for all College managers and their staff v) Effective modelling of leadership styles vi) Provision of advice and training to encourage resilient leaders vii) College networks to create sense of community viii) Appropriately qualified, skilled and experienced staff in key positions ix) Support for managers through FE & HE sponsorship x) Satisfied that have appropriate health, safety and safeguarding arrangements in place xi) Effective Board members who are engaged with the College	3	3	9	Lower than Risk Appetite (Minimalist)	3 - Unrivalled Student Experience 4 - Employer of choice 5 - Financial Resilience through Operational Excellence	Assistant Principal HR	Development & Training and Staff Recruitment & Retention KPIs	9	No change			
9	Failure to recruit, retain and maintain effective and skilled leaders, teaching and support staff	Retention and attainment Failure to achieve ROA targets Unfilled vacancies leading to workload issues for others Inability to deliver core services	3	4	12	i) Identifying and strengthening the key staff skills that are based on evidence, practice, and employment driven skills and in terms of future needs ii) Ensuring that we have the curriculum, leadership, expertise, resources, space and time for staff to develop these skills iii) Delivery of a professional pathway and professional development iv) Bespoke comprehensive programme for CMs support & research & dev programme v) College Strategic Theme of Employer of choice with attractive overall terms and conditions e.g. pension schemes, work life balance vi) Further & higher education sponsorship programme vii) Learning development days for staff viii) DELTA developing ELearning skills for staff to deliver effective on line learning & teaching ix) Learning and teaching strategy in place with key development areas x) Ensure all new teaching staff undertake appropriate induction xi) Plan to implement effective peer observation and sharing of practice xii) Review particular curriculum areas where market forces may impact on staff retention	3	3	9	Lower than Risk Appetite (Averse)	1 - Inspirational Learning & Teaching 3 - Unrivalled Student Experience 4 - Employer of Choice	Assistant Principal Quality & Performance, Assistant Principal HR	Development & Training and Staff Recruitment & Retention KPIs	6	Increasing			
10	Failure to provide a smooth effective pre-entry experience for College students and in College student experience	Low student recruitment Poor student experience Reputational risks Retention and attainment impacts Loss of students to other providers Failure to deliver ROA targets	4	4	16	i) Ensure faculty staff get right students on right subject area at the right level ii) Responsive and timely admissions service, student funding, and student advice and guidance services iii) Providing students with appropriate digital support iv) Providing student support funding services including discretionary and hardship funding based on individual economic circumstances v) Ensure awareness of financial and pastoral support for students vi) Ensuring that students meet the minimum entry requirements and skills levels for courses and those skills will then be developed as they progress through their course vii) Quality and accuracy of marketing materials providing information to students to make right course choices. Effective and accurate communication to students prior to course during keep warm phase and through onboarding process viii) Systematically generate, analyse and action meaningful student feedback. ix) Providing accessible and inclusive student support services x) Collaboration between teaching and support teams to ensure improvements and efficiencies are delivered where possible across College business processes and to provide effective quality services for students	2	3	6	Lower than Risk Appetite (Averse)	2 - Partner of choice 3 - Unrivalled student experience	Assistant Principal Quality & Performance, Curriculum Assistant Principals	Student Experience ns Student Performance KPIs	6	No change			
11	Failure to maintain and develop appropriate accessible, dynamic, flexible learning and social spaces which is fit for purpose for teaching and learning and staff working environment. On-going investigations are taking place into the use of RAAC in the construction of buildings on Cardonald and Langside campuses.	Failure to recruit Retention impacts Reputational risk Less content students and staff	4	4	16	i) Provision of inspiring spaces for study and socialising. Learning spaces project planned although funding and projects rephased. ii) Maintenance of the physical environment iii) Capital masterplan in place and related to need/estates condition survey. SFC funding for very high priority items allocated by GCRB to College. iv) Provision of attractive well maintained flexible indoor and outdoor spaces v) Work with GCRB, SFC and GCEF to ensure fully informed estates investment vi) Provision of appropriate locations for independent study vii) Work with GCCSA in developing and promoting use of student spaces viii) Explore potential for range of stakeholders to utilise College campus facilities ix) Survey works are underway at the request of the SFC to establish if RAAC is present and if so it condition. RAAC has been located in two areas of the Cardonald campus and in areas where it is cause for concern they have been closed until investigations by a structural engineer are complete	4	4	16	Lower than Risk Appetite (Averse)	1 - Inspirational Learning & Teaching 3 - Unrivalled Student Experience	Vice Principal - Resources & College Development	Student Experience KPIs	4	Increasing			

Risk Ref	Risk Description - Risk Cause	Potential Consequences	Risk Score Before Mitigating Actions			Mitigating Actions	Risk Score After Mitigating Actions				Link to Strategic Theme(s)	Risk Owner	Links to KPIs (to be completed for future reporting)	Previous score at last report to Board	Increasing/ Decreasing			
			Probability	Impact	Risk Score		Probability	Impact	Risk Score	Score compared to College risk appetite (see key above)								
12	Failure to ensure the College is delivering the right curriculum portfolio to meet students and employers demand, and economic needs	Not meeting credit target Low retention Reputational risk Negative impact on College finances Not achieve College financial plan Not maintain financial sustainability Diminishing relevance of commercial course areas Failing to meet the needs of the economy Failure to meet ROA targets	3	4	12	i) Assessment annually to match portfolio to economic needs/changes including emerging priorities e.g. environmental education. Reduced SFC credit allocation in 23/24 may impact on ability to meet all needs. ii) Annual review of portfolio also to ensure an accessible and inclusive curriculum (including digital provision) iii) Facilitating strong team of curriculum leadership group who are prepared and focus on evaluation to drive change iv) Raise commercial awareness with faculty staff and significant emphasis on commercial opportunities for faculties v) Revised commercial income/ surplus plan for 22/23 to 24/25 vi) Effective digital marketing used with analytics to drive promotion of commercial courses vii) Maintain strong partnership working with universities with high level of retention and progression viii) Maintain strong partnership working with schools in the delivery of the schools curriculum portfolio ix) Deliver a responsive apprenticeship and upskilling and reskilling course portfolio x) Effective working with disadvantaged communities in relation to curriculum design xi) Monitor feedback from students, employers and other stakeholders on student experience	3	2	6	Lower than Risk Appetite (Averse)	1 - Inspirational Learning & Teaching 2 - Partner of Choice 5 - Financial resilience through operational excellence	Deputy Principal	Student Performance KPIs	4	Increasing			
13	Failure to have data available to effectively inform operational and strategic decision making	Poor management decision making Inefficient and ineffective operations Failure to achieve financial sustainability Failure to meet ROA targets Unresponsive to trends Reactive rather than proactive Poor horizon scanning ability Reputational risk	3	4	12	i) Accurate and timely reporting mechanisms for key business systems ii) Integration of data from multiple sources into accessible formats iii) Business process reviews regularly undertaken iv) Regular systematic reporting of student and staff data and key business metrics to improve decision making v) Development of dashboard reporting through enhanced use of Power BI vi) Data Protection Officer in place to advise on General Data Protection Regulation/ Data Protection matters.	2	2	4	Lower than Risk Appetite (Averse)	3 - Unrivalled Student Experience 5 - Financial Resilience through Operational Excellence	Vice Principal Resources & College Development / Deputy Principal	Student Performance and Resource Utilisation KPIs	4	No change			

## AUDIT COMMITTEE MEETING

<b>Date of Meeting:</b>	27 September 2023
<b>Paper Title:</b>	Audit Scotland Report: Scotland's Colleges 2023
<b>Action:</b>	Information
<b>Prepared by:</b>	Jon Vincent, Principal and Chief Executive
<b>Agenda Item:</b>	23.43
<b>Status:</b>	Disclosable

### 1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to provide Audit Committee members with the key headlines messages from the recently publish Audit Scotland Report: 'Scotland's Colleges 2023'.

### 2. ACTION FOR THE COMMITTEE

- 2.1 Audit Committee members are requested to note the content of the Audit Scotland Report: 'Scotland's Colleges 2023' published on 7 September 2023

### 3. BRIEF BACKGROUND INFORMATION:

#### Key Findings of Audit Scotland Report: 'Scotland's Colleges 2023'

- 3.1 Audit Scotland published its Annual Report on the College sector in Scotland on Thursday 7 September 2023.
- 3.2 Key messages contained in the Report are:
- Scotland's colleges are vital to learners and local communities. Risks to the college sector's financial sustainability have increased since they last reported in 2022. Rising staffing costs are Colleges' biggest financial pressure;
  - the Scottish Government's funding for the sector has reduced by 8.5 per cent in real terms between 2021/22 and 2023/24, while the sector's costs have increased. Effective, affordable workforce planning is now a greater than ever priority and challenge for Colleges; and
  - significant changes to how the College sector operate have been recommended by recent reviews. However, the Scottish Government and the Scottish Funding Council (SFC) urgently need to build on their ongoing work to help Colleges to plan for change now and make best use of available funding so that they are sustainable for the future.

- 3.3 Themes highlighted in the Report are:

#### 3.3.1 *Financial Sustainability*

Audit Scotland has identified that the risks to the College sector's financial sustainability have increased since their previous report in 2022, in which they

reported that change was needed to ensure the sector's financial sustainability in the long term. It is advised that the sector reported an adjusted operating surplus of around £8 million in AY 2021/22, considerably less than its surplus of £19.3 million for the previous year. Audit Scotland is of the view that the anticipated reduction in the surplus is partly due to increases in staff costs, reflecting the impact of the sector's pay award in AY 2021/22 and some additional recruitment as well as rising inflation, fuel costs and other pressures. With regards to Scottish Government funding, Audit Scotland has noted the revenue funding for the College sector comprising £675.7 million in each of 2021/22, 2022/23, and 2023/24, and has advised that "After taking account of inflation, this represents a reduction in real terms of 8.5 per cent from 2021/22 to 2023/24". Grant funding provided via the SFC accounted for around three quarters of the college sector's total income in AY 2021/22.

### 3.3.2 **Staff Costs**

The report notes that rising staff costs are Colleges' biggest financial pressure, with staff costs accounting for more than two-thirds (around 70%) of the sector's expenditure in AY 2021/22, whilst staff pay awards remain a pressure on College finances.

### 3.3.3 **Infrastructure**

Audit Scotland makes clear that "Without investing in maintenance, Colleges risk their estate becoming a worsening environment for learning" and that "Emerging issues around Reinforced Autoclaved Aerated Concrete will only add to this pressure".

### 3.3.4 **Significant Areas of Risk for Colleges**

Audit Scotland also articulate a cross-section of the numerous risks affecting Colleges, composed of the following:

- inflation, interest rates and energy costs;
- the investment required to achieve public sector net zero targets, especially in relation to the College estate;
- investment required to invest in digital;
- difficulties in attracting and retaining students and staff;
- the requirement for colleges to self-fund staff restructuring and voluntary severance package costs;
- competition from private sector training providers;
- competition from some universities;
- the challenges of raising income from non-teaching activities; and
- the impact of cost efficiencies on staff wellbeing and the student experience.

### 3.3.5 **Education Reform Agenda**

Audit Scotland is of the view that the recent reviews associated with the Education Reform Agenda bring both challenges and opportunities for the Scottish Government, and they advise that there are questions about what can realistically be achieved in the short term and what may require a longer timescale, possibly involving new legislation. Against the context of reform, Audit Scotland has recommended that "The Scottish Government and the SFC urgently need to build on their ongoing work with Colleges and help them become sustainable now, while structural arrangements at a national level evolve". In particular, Audit Scotland is



clear that it is “critical for the Scottish Government to work with the SFC during AY 2023-24 to support Colleges in planning for change now and making best use of available funding”. The role of Colleges in delivering the Scottish Government ambitions of Equality, Opportunity and Community is also touched on, with it being noted that “A significant reduction in a College’s range of courses, student capacity, or its closure altogether could have an unequal impact on students from more deprived areas, plus ramifications for the wider community”. Audit Scotland believes that “Policy and structural changes by the Scottish Government have the potential to improve Colleges’ operating environment but Colleges face daunting challenges now to their business models and finances” and that “Addressing the challenges facing the College sector cannot be avoided or postponed”.

#### **4. SUPPORTING DOCUMENTATION**

- 4.1 Annex 1: Audit Scotland Report: Scotland’s Colleges 2023.

#### **5. RISKS**

- 5.1 There are no risks associated with the publication of this report for Glasgow Clyde College.

#### **6. ANY OTHER SIGNIFICANT IMPACT eg STUDENT EXPERIENCE/LEGAL/FINANCIAL/EQUALITY & DIVERSITY**

- 6.1 None.

# Colleges rely heavily on Scottish Government funding

**20.** The Scottish Government's budget works in financial years (FY) that run from April to March, such as April 2022 to March 2023. The Scottish Government has budgeted revenue funding for the college sector comprising £675.7 million in each of 2021/22, 2022/23 and 2023/24. After taking account of inflation, this represents a reduction in real terms of 8.5 per cent from 2021/22 to 2023/24.

**21.** The SFC uses the Scottish Government's funding to provide grants to colleges within their academic year (AY) that runs from August to July. This means that a college year spans two years of the Scottish Government's budget. For example, the college sector's AY 2022-23 year spanned the Scottish Government's financial years FY 2022/23 and FY 2023/24. The SFC has set a college revenue budget for AY 2022-23 of £675.3 million, a reduction of £36.5 million (5.1 per cent) from AY 2021-22.

**22.** Grant funding provided via the SFC accounted for around three quarters of the college sector's total income in AY 2021-22. One college relied on the SFC for less than half its income (Sabhal Mor Ostaig). All other colleges relied on the SFC for more than half their income, including seven that obtained over three quarters of their income from the SFC. Colleges' main source of non-SFC income was tuition fees and education contract income, with other income-generating activities, including catering, making up the bulk of the balance.

# Significant changes lie ahead

## The Scottish Government recognises that changes are needed

**23.** Several national reviews have recently recommended major changes that would affect the college sector, and these sit alongside other significant developments ([Exhibit 3](#)). They all bring both challenges and opportunities for the Scottish Government. There are questions about what can realistically be achieved in the short term and what may require a longer timescale, possibly involving new legislation.

### Exhibit 3. Recent major developments affecting the college sector These bring challenges and opportunities.



**29 June  
2021**

The SFC's [review of tertiary education and research](#) included a recommendation to the Scottish Government that there should be more flexibility in how colleges are funded.



**7 June  
2023**

The Withers [review of the post-school learning system](#) urged the Scottish Government to think creatively about how to secure the sustainability of the post-school skills delivery system. It included a recommendation that the Scottish Government should redesign the process for how funding of all learning and training provision, including apprenticeships, is allocated to ensure it is prioritised to deliver strategic outcomes and best value for public investment. It also recommended the establishment of a single funding body and parity of esteem between colleges and universities.



**22 June  
2023**

The Hayward [review of qualifications and assessment](#) will have implications for the qualifications that colleges consider when selecting students and employees, and for the courses that colleges provide.



**28 June  
2023**

The Scottish Government's [Purpose and Principles for post-school education, research and skills](#) includes a target outcome that the system is 'financially and environmentally resilient; trusted to deliver, and subject to effective governance'. The programme of reform, signalled through the Scottish Government's [Initial priorities for implementation](#) and the Purpose and Principles, outlines the key actions that the Scottish Government will be taking forward to deliver on the vision and outcomes it has set for the system.

**24.** In May 2023, the Scottish Parliament's Education, Children and Young People (ECYP) Committee **concluded** that 'If additional funding is unavailable, and flexibility within current funding arrangements is also not forthcoming, then the Scottish Government and the Scottish Funding Council need to provide colleges with a clear steer on what they should be prioritising.'

**25.** In June 2023, the Scottish Government took some initial steps in response to these developments:

- It **advised** the Scottish Parliament's ECYP Committee that it had 'heard loud and clear the calls for reform and won't shy away from decisions which will deliver better services for learners and employers and simplify the operating environment for our colleges, universities and training providers.'
- It **advised** the ECYP Committee that it is considering ways to give colleges more financial flexibility. It also **asked** the SFC to play an active role in helping colleges to use their funding allocations more flexibly; and to intervene in the sector where necessary.
- It **announced** that it plans to take over national responsibility for skills planning, and that there will be a new national model of public funding for all colleges, universities, apprenticeships and training.

**26.** The SFC has introduced a new funding distribution model and associated guidance for AY 2023-24. This is to provide colleges with enhanced flexibility and greater opportunity to decide how best to respond to local, regional and national needs. The Scottish Government is exploring the potential for further changes in colleges' funding arrangements.

## **The Scottish Government and the SFC urgently need to build on their ongoing work with colleges and help them become sustainable now, while structural arrangements at a national level evolve**

**27.** Overall, 25.5 per cent of school leavers went into further education at college in AY 2021-22, compared to 35.6 per cent from the most deprived areas (Scottish Government **statistics**, February 2023). These figures exclude school leavers undertaking a higher education course in a college. Colleges therefore play a vital role in providing people, particularly those from more disadvantaged areas, with the training, qualifications and life-skills that can help them to succeed in life and make a valuable contribution to society. More widely, colleges also contribute to achieving the Scottish Government's three national 'missions':

### **The Scottish Government's three missions**

- 1 Equality:** tackling poverty and protecting people from harm.
- 2 Opportunity:** a fair, green and growing economy.
- 3 Community:** prioritising our public services.

**28.** A significant reduction in a college's range of courses, student capacity, or its closure altogether could have an unequal impact on students from more deprived areas, plus ramifications for the wider community. In many rural, remote and island communities, there is no alternative college nearby.

**29.** Policy and structural changes by the Scottish Government have the potential to improve colleges' operating environment but colleges face daunting challenges now to their business models and finances. For example, colleges need to maintain and, if possible, enhance the learning they provide and improve outcomes for their students. At the same time, they are managing complex change across the college sector and considerable strain on their finances.

**30.** Addressing the challenges facing the college sector cannot be avoided or postponed. While recognising the role of college leadership teams in managing their finances, it is also critical for the Scottish Government to work with the SFC during AY 2023-24 to support colleges in planning for change now and making best use of available funding. This should help to secure colleges' future while the Scottish Government considers its response to the reviews featured in [Exhibit 3 \(page 10\)](#), and the funding it allocates to the sector.

## Next steps

**31.** We report annually on the audits of Scotland's incorporated colleges. We will continue to monitor and report on developments across the sector as their impacts become clearer.

# Scotland's colleges 2023

A briefing paper



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