



Glasgow Clyde College

**Audit Needs Assessment and
Strategic Plan 2017 to 2020**



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Contents

	Page
1. Introduction	1 - 2
2. Executive Summary	3 - 4
3. Audit Needs Assessment	5 - 48
4. Strategic Plan	49 - 57

Introduction

Introduction

We have been re-appointed as Internal Auditors of Glasgow Clyde College ('the College') for the period from 1 August 2017 to 31 July 2020, with an option available to the College to extend for a further 12 months.

Internal audit primarily provides an independent and objective opinion to the Board of Management and to the Principal on risk management, control and governance, by measuring and evaluating their effectiveness in achieving the College's agreed objectives. In addition, internal audit's findings and recommendations are beneficial to line management in the audited areas. Risk management, control and governance comprise the policies, procedures and operations established to ensure the achievement of objectives, the appropriate assessment of risk, the reliability of internal and external reporting and accountability processes, compliance with applicable laws and regulations, and compliance with the behavioural and ethical standards set for the College.

Internal audit also provides an independent and objective consultancy service specifically to help line management improve the College's risk management, control and governance.

Audit Needs Assessment

The Audit Needs Assessment (ANA) has been prepared following discussion with a number of College managers and Board members, and review of College documents together with previous internal and external audit reports.

The assessment covers the main areas where the College is exposed to risk that can be managed through internal control, and which therefore should be considered for examination by internal audit. The assessment has taken no account of the resources available to carry out the work.

The ANA is based on the College's Risk Register and also on the risk prompt list for higher education institutions issued as a guide by the Higher Education Funding Council for England (HEFCE). The prompt list was compiled by HEFCE from information provided by several institutions that had carried out a full risk identification process. Risks were split into eight categories: reputation; student experience; staffing issues; estates and facilities; financial issues; commercial issues; organisational issues; and information and IT. These categories have been used in this ANA. The above is then supplemented by our own assessment of the risks faced by the College.

Following identification of the key controls and associated risks we have assessed the different areas of risk using the following criteria:

- Risk Impact
- Risk Likelihood
- Present Controls

Where an area of risk is covered by the College's own Risk Register we have used the assessment of impact and likelihood set out in that document.

Audit Needs Assessment (Cont'd)

From the combination of results of these three criteria, the work required and the resource recommended to test whether the controls are in place and operating has been assessed, together with a recommendation of the frequency of testing. Previous audit coverage has also been taken into consideration.

Strategic Plan

Following on from the ANA the Strategic Plan has been formulated to cover the 2017/18 to 2019/20 financial years. The Plan places the risk based planned coverage under three main strands: Governance, Financial and Performance. The planned coverage should be reviewed annually prior to the Annual Plan and detailed audit planning being finalised.

There is an expectation by external auditors that some element of review is included in the internal audit programme each year in relation to core financial systems; and budgetary processes and controls. This has been taken into consideration in formulating the Strategic Plan.

Value for Money

Value for Money (VFM) is an integral part of all audits and has been mentioned at points within this ANA. Specific VFM reviews will be carried out in areas agreed with management and the Audit Committee although VFM is considered during any audit work that we are undertaking.

Business Improvement

We will draw on the experience within our team to provide input on the use of a wide range of business improvement tools, including the use of lean systems and methodologies, where this is appropriate and relevant to the specific audit assignment.

Executive Summary

There are a number of regulatory, operational and financial risks faced by any organisation. There are also risks that are specific to individual institutions, and which vary over time. All of these risks need to be managed effectively since they cannot be eliminated entirely.

The purpose of this ANA is to identify these risks, and assess the audit coverage required to give the Board of Management and Principal assurances that the control environments operated centrally and in Faculties and Support Services are effective in reducing the risks to an acceptable level.

Information from ANA interviewees and various documents that we have reviewed identified the following issues as being the main strategic, operational and financial issues facing the College at this time.

- ❑ ensuring the continuing financial security and sustainability of the College. This is impacted by factors such as: the significant reduction in central government funding over recent years; changes in the funding methodology; distribution of the regional funding allocation; and national pay bargaining and other increases in staff costs;
- ❑ diversification and improvement of alternative College income streams to reduce reliance on SFC Grant-in-aid;
- ❑ drive to continually improve the quality of the learning and teaching experience for the students and levels of learner retention and attainment. Achievement of target student numbers;
- ❑ removing barriers to ensure that courses are accessible to the widest spectrum of learners;

- ❑ within the context of the Regional Outcome Agreement delivering a relevant and valued curriculum that is aligned with national priorities, and to the needs of the region, employers and students;
- ❑ promoting excellence through research and innovation;
- ❑ investment in the development of the workforce;
- ❑ investing in a high quality, efficient, and sustainable Estates and ICT infrastructure capable of adapting to changing curriculum and business needs. Availability of funds for capital projects;
- ❑ promoting governance practices that support innovative leadership and guide management behaviours;
- ❑ embedding an ethos of risk-based decision making throughout the College;
- ❑ further opportunities for partnership working and improved value for money through business process review and increased collaboration and co-ordination of services across the college and with public and private sector partners; and
- ❑ contribution by the College to the social, economic and cultural life of its local community.

Where risks arising from these issues can be impacted by internal control and subjected to internal audit these have been identified in the ANA and prioritised in the Strategic Plan with reference to the combined risk factors identified in the ANA and the resources allocated by the College to internal audit. Prioritisation affects frequency of visits, the number of days allocated, and the position in the cycle.

Risks associated with these, and other issues, do not exist in isolation but are inter-dependent. We will therefore ensure that audit projects are linked where necessary, and results from relevant previous projects will be taken into consideration at the detailed planning stage of each project.

Audit Needs Assessment

This assessment covers all main financial systems of the College, and other areas of risk where internal audit can provide assurances regarding control environments. Numbers in brackets below represent cross-referencing to the College’s Risk Register.

The assessment covers the following areas where risk arises (pages 5 to 10 provide a summary of risk assessment for each risk category, with pages 11 to 48 providing further detail on each category, including key controls and associated risk):

Risk Category	Risk Impact	Risk Likelihood	Present Controls	Priority
Reputation				
<input type="checkbox"/> Loss of Reputation Resulting in Negative Perceptions – Loss of Business	High	Medium	Good	Medium
<input type="checkbox"/> Failure to Comply with Health and Safety Requirements (G2)	High	Low	Good	Medium
<input type="checkbox"/> Failure to Meet all Legislative and Regulatory Requirements and / or Recommended Guidance (G1)	High	Low	Good	Medium

Risk Category	Risk Impact	Risk Likelihood	Present Controls	Priority
Student Experience				
<input type="checkbox"/> Failure to Develop and Evolve Learning and Teaching and the Curriculum	Medium	Low	Good	Medium
<input type="checkbox"/> Significant Externally Driven Curriculum Change	Medium	High	Good	High
<input type="checkbox"/> New / Increased Competition	Medium	Medium	Good	Medium
<input type="checkbox"/> Failure to Achieve Acceptably High Standard Quality of Teaching Delivery and Support for Students (O6)	Medium	Low	Good	Medium
<input type="checkbox"/> Lack of Effective Student Support	Medium	Low	Good	Medium
<input type="checkbox"/> Management of Disciplinary / Appeals Procedures	Low	Low	Good	Low
<input type="checkbox"/> Risks Associated with Examination Marking	Low	Low	Good	Low
Staffing Issues				
<input type="checkbox"/> Failure to Comply with Employment Legislation	Low	Low	Good	Low
<input type="checkbox"/> Contentious Staffing Policies	Low	Low	Good	Low
<input type="checkbox"/> Negative Impact on Employee Relations (e.g. National Bargaining, Industrial Action, Local Consultation) (O1)	High	Medium	Satisfactory	High
<input type="checkbox"/> Failure to Recruit and Retain an Appropriately Skilled and Effective Workforce (O3)	High	Medium	Good	Medium
<input type="checkbox"/> Failure to Develop and Implement Succession Planning	High	Medium	Satisfactory	High
<input type="checkbox"/> Controls Over Payroll	Medium	Medium	Good	Medium

Risk Category	Risk Impact	Risk Likelihood	Present Controls	Priority
Estates and Facilities				
<input type="checkbox"/> Failure to Achieve a Sustainable Fit for Purpose College Estate (O4)	Medium	Medium	Satisfactory	Medium
<input type="checkbox"/> Physical Security	Medium	Medium	Good	Medium
<input type="checkbox"/> Disruption to Operations Following Loss or Breakdown of Key Equipment	Medium	Medium	Satisfactory	Medium
<input type="checkbox"/> Fleet / Asset Management	Medium	Low	Good	Low
<input type="checkbox"/> Failure to Meet All Regulatory Requirements	High	Medium	Good	Medium
<input type="checkbox"/> Selection and Management of Third Party Contractors	High	Medium	Good	Medium
<input type="checkbox"/> Projects Over Time	High	Medium	Good	Medium
<input type="checkbox"/> Capital Authorisation / Control Procedures	High	Low	Good	Medium
<input type="checkbox"/> Projects Over Budget	High	Medium	Good	Medium
<input type="checkbox"/> Use of Space Within Estate and Lack of Suitable Accommodation for Development of Academic and Support Activities	High	Medium	Satisfactory	High

Risk Category	Risk Impact	Risk Likelihood	Present Controls	Priority
Financial Issues				
<input type="checkbox"/> Failure to Achieve Financial Sustainability	High	High	Good	High
<input type="checkbox"/> Adverse Funding Changes (SFC/SDS/ESF) (F1)	High	High	Good	High
<input type="checkbox"/> Changing Economic Environment	Medium	High	Good	High
<input type="checkbox"/> Failure to Achieve Contracted Overall Teaching Delivery Targets for Any Key Partner (SFC/SDS/ESF) (F2)	High	Medium	Good	High
<input type="checkbox"/> Potential Impacts of National Bargaining Process	High	High	Satisfactory	High
<input type="checkbox"/> Budgetary Control of the College's Financial Resources	High	Medium	Good	High
<input type="checkbox"/> Cashflow Issues	Medium	Medium	Good	Medium
<input type="checkbox"/> College No Longer Assessed as a Financial Going Concern	High	Low	Good	Medium
<input type="checkbox"/> Student Fee Income is Not Raised or Recorded	Medium	Medium	Good	Medium
<input type="checkbox"/> Financial Fraud, Abuse	Medium	Low	Good	Medium
<input type="checkbox"/> Foundation Refuses / Withholds Funding for Key College Priorities	High	Low	Good	Medium
<input type="checkbox"/> Performance of Pension Funds	High	High	Satisfactory	High
<input type="checkbox"/> Main Financial Systems				
• General Ledger	Medium	Medium	Good	Medium
• Procurement and creditors / purchasing	Medium	Medium	Good	Medium
• Debtors / Income	Medium	Medium	Good	Medium
• Cash and Bank / Treasury Management	Medium	Medium	Good	Medium

Risk Category	Risk Impact	Risk Likelihood	Present Controls	Priority
Commercial Issues				
<input type="checkbox"/> Prevention and Response to External Claims Against the College for Breach of Contract	Medium	Medium	Good	Medium
<input type="checkbox"/> Identification and Response (Positively and Creatively) to Opportunities as they Arise	High	Medium	Satisfactory	High
<input type="checkbox"/> Financial Control Over Other Income Generating Activities	Medium	Medium	Satisfactory	Medium
<input type="checkbox"/> Failure to Achieve Surplus Targets for Non-SFC / Commercial Activity (F3)	High	Medium	Satisfactory	High
Organisational Issues				
<input type="checkbox"/> High Impact Disaster for College e.g. Fire, Long Term Power Loss (O5)	High	Low	Good	Low
<input type="checkbox"/> Failure of College Operational Processes / Systems / ICT Infrastructure (Including Risk of Fraud) (O2)	High	Medium	Good	High
<input type="checkbox"/> Corporate Governance Failure	High	Low	Good	Medium
<input type="checkbox"/> Failure to Recruit, Train and Retain an Appropriately Experienced Board of Management (G3)	Medium	Low	Good	Medium
<input type="checkbox"/> Effective Corporate Planning	High	Medium	Satisfactory	High
<input type="checkbox"/> Risk Management	High	Medium	Satisfactory	High
<input type="checkbox"/> Disruption of Relationship with Key Governing Organisations	High	Low	Good	Low

Risk Category	Risk Impact	Risk Likelihood	Present Controls	Priority
<p>Information and IT</p> <ul style="list-style-type: none"> <input type="checkbox"/> Catastrophic Failure of ICT Systems or Infrastructure <input type="checkbox"/> Breach of ICT / Cyber Security <input type="checkbox"/> Breach of Data Security / Data Protection Legislation <input type="checkbox"/> Non-Compliance with Freedom of Information Legislation <input type="checkbox"/> Non-Compliance with User Licence Requirements <input type="checkbox"/> Management of Systems Implementation <input type="checkbox"/> Failure to Achieve Ambitions of ICT Strategy / Strategy and Development is Ineffective 	<p>High High High Medium Medium High High</p>	<p>Medium High High Low Low Medium Low</p>	<p>Satisfactory Good Satisfactory Good Good Good Satisfactory</p>	<p>High High High Low Low Medium Medium</p>

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
REPUTATION						
LOSS OF REPUTATION RESULTING IN NEGATIVE PERCEPTIONS – LOSS OF BUSINESS	<p>Communications Strategy.</p> <p>Positive marketing approaches.</p> <p>Dedicated public relations staff and use of external PR agency.</p> <p>Policy for responding to press comment.</p> <p>Regular review of press.</p>	<p>Failure to actively manage positive and negative publicity.</p> <p>Lost opportunities / students due to tarnished reputation.</p> <p>Fail to maximise benefits from positive publicity.</p>	High	Medium	Good	Medium
FAILURE TO COMPLY WITH HEALTH AND SAFETY REQUIREMENTS (G2)	<p>Internal policies, procedures and guidelines. Staff training.</p> <p>Availability of expertise – Health and Safety Officers across three campuses.</p> <p>Health and Safety Committee and Campus Forums meet regularly to monitor H&S arrangements and discuss issues.</p> <p>Adherence to legislative requirements and appropriate standards.</p> <p>Annual cycle of audits and inspections carried out.</p> <p>Good reporting to management and the Organisational Development Committee.</p>	<p>Failure to effectively manage health and safety, with consequent risk or damage to staff and students.</p> <p>Damage to the College's good standing.</p> <p>Financial penalties and / or loss of income.</p>	High	Low	Good	Medium

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<p>REPUTATION (CONT'D)</p> <p>FAILURE TO MEET ALL LEGISLATIVE AND REGULATORY REQUIREMENTS AND / OR RECOMMENDED GUIDANCE (G1)</p>	<p>Work within roles, responsibilities and legal implications of Post-16 legislation and associated related guidance.</p> <p>Liaison and maintaining ongoing dialogue with relevant bodies e.g. SFC, GCRB and Scottish Government.</p> <p>College ensures full knowledge and implementation of legislative, regulatory and guidance requirements including requirements of Financial Memorandum with GCRB.</p> <p>Individual managers required to keep up-to-date with relevant legislation and implement appropriate controls.</p> <p>Ensure Board have appropriate training on key guidance and legislation and take proactive role in ensuring meet all requirements.</p> <p>Seek legal advice as required.</p> <p>Prepare for GDPR coming into force in May 2018.</p>	<p>Damage to the College's good standing.</p> <p>Financial penalties and / or loss of income.</p>	High	Low	Good	Medium

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
STUDENT EXPERIENCE						
FAILURE TO DEVELOP AND EVOLVE LEARNING AND TEACHING AND THE CURRICULUM	In-depth systematic review of the curriculum. ROA, Corporate Plan and departmental Operational Plans.	Failure to provide the range and structure of courses that meet the expectations of students / poor product offering.	Medium	Low	Good	Medium
SIGNIFICANT EXTERNALLY DRIVEN CURRICULUM CHANGE	Learning and Teaching Committee and Team.	Poor student achievement and learning experience.	Medium	High	Good	High
NEW / INCREASED COMPETITION	E-learning. Performance indicators. Significant level of involvement in discussions on national and regional curriculum with other Glasgow colleges, GCRB and SFC. Respond to new types and revised levels of activity and consequent changes in funding allocations along with updated Government and SFC guidance. Participation in national / regional groups to influence issues regarding potential competition. Effective competitor analysis, clear branding and focused marketing.	Lower student recruitment and retention. Reduction in income, and so need to find funding from other sources.	Medium	Medium	Good	Medium

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<p>STUDENT EXPERIENCE (CONT'D)</p> <p>FAILURE TO ACHIEVE ACCEPTABLY HIGH STANDARD QUALITY OF TEACHING DELIVERY AND SUPPORT FOR STUDENTS (O6)</p>	<p>Monitor teaching KPIs across all subject areas. Action taken to address areas of concern.</p> <p>Quality mechanisms undertaken through annual cycle including self-evaluation and internal and external verification processes.</p> <p>Heads of Curriculum and Unit Managers monitor quality and delivery of service during year and follow-up any issues.</p> <p>Faculty staff work with Students Association, class reps and student feedback mechanisms to monitor feedback on quality and follow-up any issues.</p> <p>Learning and Teaching Committee and Team. Quality and Performance Team.</p> <p>Oversight by GCRB.</p> <p>Staff recruitment and staff appraisal and development policies. PDAs, TQFE.</p> <p>Education Scotland How good is our college framework.</p>	<p>Failure to meet teaching quality expectations of the students.</p> <p>Fail to attract sufficient high quality students.</p> <p>Poor Education Scotland inspection / external assessments damaging reputation or failing to improve reputation.</p>	Medium	Low	Good	Medium

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<p>STUDENT EXPERIENCE (CONT'D)</p> <p>LACK OF EFFECTIVE STUDENT SUPPORT</p>	<p>Relevant policies – Recruitment; Equality and Inclusion; Guidance and Counselling; and Student Support.</p> <p>Well developed induction processes.</p> <p>Linkages with external bodies ensure that early intervention and tailored advice is provided.</p> <p>Close liaison between the Student Funding, Student Advice and Equality and Inclusion teams.</p> <p>Student Association.</p> <p>Personal Learning Support Plans.</p> <p>Student satisfaction surveys.</p> <p>Estates Strategy.</p>	<p>Lower student recruitment and retention.</p> <p>Reduction in income, and so need to find funding from other sources.</p>	Medium	Low	Good	Medium

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
STUDENT EXPERIENCE (CONT'D)						
MANAGEMENT OF DISCIPLINARY / APPEALS PROCEDURES	<p>Policies and procedures manual.</p> <p>Appeals committee.</p>	Inaccurate assessment of student academic performance and / or unfair appeals and disciplinary process.	Low	Low	Good	Low
RISKS ASSOCIATED WITH EXAMINATION MARKING	<p>Training for staff involved in assessment process.</p> <p>Use of markers with a proven track record and if using markers for the first time check made on qualifications and thorough vetting carried out.</p> <p>Exam scripts are held securely and properly handled to ensure robust marking and result recording.</p> <p>Review procedures, including external examiners reports.</p> <p>Student support processes.</p> <p>Open complaints and appeals process.</p>	Potential litigation, resulting in poor publicity.	Low	Low	Good	Low

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
STAFFING ISSUES						
FAILURE TO COMPLY WITH EMPLOYMENT LEGISLATION	Staff committees.	Failure to adhere to employment legislation and standards of good practice.	Low	Low	Good	Low
CONTENTIOUS STAFFING POLICIES	HR policies and procedures are regularly reviewed.	Industrial action / employment tribunals / damage to reputation.	Low	Low	Good	Low
	Personal Development Plan system.					
	Equality and Inclusion Team and policies and procedures.	Potential litigation including punitive damages.				
	Board of Management Organisational Development Committee.					

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<p>STAFFING ISSUES (CONT'D)</p> <p>NEGATIVE IMPACT ON EMPLOYEE RELATIONS (E.G. NATIONAL BARGAINING, INDUSTRIAL ACTION, LOCAL CONSULTATION) (O1)</p>	<p>Focused work with Trade Unions, specific and regular meetings with senior management, ensuring good flow of information and ongoing communications.</p> <p>Regular direct communication with staff e.g. staff briefings, focus groups.</p> <p>Representation made through Employers Association Group, Colleges Scotland, Principals Forum and GCRB, with national bargaining process.</p> <p>Emphasis being made nationally on imperative of financial sustainability and affordability issues.</p> <p>Discussion with Unions on impact on College financial sustainability and organisational impacts.</p> <p>Business continuity planning used to ensure all stakeholders appropriately communicated with in any potential industrial action.</p>	<p>Impact on reputation and finances of continual industrial action.</p>	<p>High</p>	<p>Medium</p>	<p>Satisfactory</p>	<p>High</p>

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
STAFFING ISSUES (CONT'D)						
FAILURE TO RECRUIT AND RETAIN AN APPROPRIATELY SKILLED AND EFFECTIVE WORKFORCE (O3)	Recruitment and retention of staff for some skills areas remains challenging and College continues to use a range of approaches as appropriate.	Failure to attract, develop and retain academic staff of sufficient calibre and standing.	High	Medium	Good	Medium
FAILURE TO DEVELOP AND IMPLEMENT SUCCESSION PLANNING	Maintain open channels of communication with Trade Unions, College managers and their staff, and effective attendance management process in place. Personal Development Plan system. All new staff have an induction process and annual training programme undertaken. Cover arranged as required for absence of key staff members. Appropriate CPD provided for staff to meet identified skills gaps. Good terms and conditions. Staff Engagement Survey. Develop succession planning strategy.	Inability to attract and retain specialist non-academic staff. Loss of capacity, key skills and experience. Disruption to operations / services. Fail to attract sufficient high quality students.	High	Medium	Satisfactory	High

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
STAFFING ISSUES (CONT'D)						
CONTROLS OVER PAYROLL	<p>Appropriate segregation between HR and payroll staff. The HR Manager notifies the Payroll Officer timeously of all matters affecting the payment of emoluments.</p> <p>Establishment List maintained. Staffing Committee approval required for new posts or removal of existing posts.</p> <p>All payroll variances (sick leave, timesheets, T&S etc.) authorised by line manager.</p> <p>Head of HR or Director of Organisational Development sign-off payroll.</p> <p>The College's external auditors review severance settlements for senior staff.</p> <p>Any severance scheme, and any special severance payment over £1,000, must be approved by the SFC.</p>	<p>Employees are paid incorrect amounts.</p> <p>Payments are made for non-existent employees or for work not actually performed.</p>	Medium	Medium	Good	Medium

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<p>ESTATES AND FACILITIES</p> <p>FAILURE TO ACHIEVE A SUSTAINABLE FIT FOR PURPOSE COLLEGE ESTATE (O4)</p>	<p>Capital masterplan in place and related to estates condition survey which highlights required investment to maintain College estate.</p> <p>Work with GCRB and SFC to ensure fully informed of estates requirements.</p> <p>New facility for horticulture and landscaping provision being completed by end September 2017.</p> <p>Action being taken on Langside residences and dialogue ongoing with administrators on potential sale or irritation of lease agreement.</p> <p>Glasgow Regional Outcome Agreement and Curriculum and Estates Proposals.</p> <p>Finance and Resources Committee.</p>	<p>Failure to identify, prioritise and fund maintenance needs.</p> <p>Deterioration of property.</p> <p>Significant costs incurred not included in financial plans.</p> <p>Disruption to teaching.</p>	Medium	Medium	Satisfactory	Medium

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
ESTATES AND FACILITIES (CONT'D)						
PHYSICAL SECURITY	<p>Regular review of security arrangements, including consulting with police.</p> <p>Regular property condition surveys.</p> <p>Finance and Resources, and Organisational Development committees.</p> <p>Health and Safety Officers, and Health and Safety Committee and Campus Forums.</p>	Poor physical security of buildings, leading to theft or damage to equipment / IT hardware and compromising safety of staff and students.	Medium	Medium	Good	Medium

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
ESTATES AND FACILITIES (CONT'D)						
DISRUPTION TO OPERATIONS FOLLOWING LOSS OR BREAKDOWN OF KEY EQUIPMENT	Appropriate security system / staff.	Loss of movable assets.	Medium	Medium	Satisfactory	Medium
	Regular review of security arrangements, including consulting with police.	Inability of the College to function properly.				
FLEET / ASSET MANAGEMENT	Insurance arrangements.	Fail to provide services to students.	Medium	Low	Good	Low
Items > £5,000 in value are capitalised in the accounts.	Maintenance of inventory of assets and regular physical inspection.	Inappropriate use may be made of College assets.				
	Adequate control over the use of assets for College business, especially portable, desirable items (e.g. computer equipment).	Unauthorised expenditure may be made on assets.				
	Proper authorisation for asset acquisition.	Old / valuable assets may not be maintained adequately resulting in financial loss.				
	Proper processing and recording of expenditure on acquisitions and income from disposals.	Non-compliance with Health and Safety regulations.				
	Proper maintenance of assets and testing of electrical items.					
	Business Continuity Plans.					

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
ESTATES AND FACILITIES (CONT'D)						
FAILURE TO MEET ALL REGULATORY REQUIREMENTS	<p>Regular review of legislation requirements, such as the Fire Precautions (Workplace) Regulations 1997 and the Equal Opportunities and Disability Discrimination Legislation.</p> <p>Personal Development Plan system.</p> <p>Health and Safety Officers, and Health and Safety Committee and Campus Forums.</p> <p>Regular inspection by authorities.</p> <p>Realistic Estates Strategy.</p>	<p>Failure to comply with statutory requirements leads to prosecution or close down of some buildings.</p> <p>Disruption to teaching.</p> <p>Damage to reputation.</p>	High	Medium	Good	Medium

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
ESTATES AND FACILITIES (CONT'D)						
SELECTION AND MANAGEMENT OF THIRD PARTY CONTRACTORS	Policies and procedures.	Contractor under performance.	High	Medium	Good	Medium
PROJECTS OVER TIME	Responsibility for planning and implementation of projects assigned to Project Manager.	Fail to complete new projects / maintenance on schedule.	High	Medium	Good	Medium
	Regular reporting to management and review by Finance and Resources Committee.	Disruption to teaching.				
	Checks on contractor insurance cover.	Deterioration of property stock.				
CAPITAL AUTHORISATION / CONTROL PROCEDURES	Policies and procedures.	Poor investment decisions leading to overspend on capital projects and stretching financial resources on an ongoing basis.	High	Low	Good	Medium
PROJECTS OVER BUDGET	Approval of major capital projects by the Senior Management Team; Board of Management and relevant committees.	Failure to identify and take action against overspends on capital projects.	High	Medium	Good	Medium
	Good quality information presented to Board of Management and committees.					
	Regular monitoring of expenditure on capital projects against budget, and reporting to management. Review by Finance and Resources Committee.					
	Advice from external consultants.					

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
ESTATES AND FACILITIES (CONT'D) USE OF SPACE WITHIN ESTATE AND LACK OF SUITABLE ACCOMMODATION FOR DEVELOPMENT OF ACADEMIC AND SUPPORT ACTIVITIES	Space utilisation surveys. Estates Strategy. Glasgow Regional Outcome Agreement and Curriculum and Estates Proposals. Integrated timetabling and room allocation process.	Efficient estates' planning is an integral part of the Regional Outcome Agreement. Poor use of existing space restricts the ability to develop teaching activities, and leads to higher than necessary costs. Fail to expand and offer suitable courses. Fail to attract sufficient students.	High	Medium	Satisfactory	High

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
FINANCIAL ISSUES						
FAILURE TO ACHIEVE FINANCIAL SUSTAINABILITY	Financial plans developed by College Senior Management and monitored within framework of available activity funding through Glasgow Regional funding for teaching, student support funds and capital. Regular reporting to the Board and its committees.	Adverse effect on the College's funding settlement and autonomy to generate non-core income.	High	High	Good	High
ADVERSE FUNDING CHANGES (SFC/SDS/ESF) (F1)		Fail to meet financial liabilities.	High	High	Good	High
CHANGING ECONOMIC ENVIRONMENT	<p>Continue to aim to inform and influence funding allocations through Principals' Forum, GCRB, MSPs and other appropriate bodies.</p> <p>Work with Colleges Scotland and Scotland's Colleges Partnership on lobbying regarding impact on ESF funding and development of future alternative resources.</p> <p>Projects progressed to address priority items as per College Capital masterplan based on affordability and potential for applications to Foundation.</p> <p>Ensure ongoing dialogue with SDS.</p> <p>Working to achieve requirements of recently announced Flexible Workforce Development Fund.</p>	Adverse effect on the College's future viability. Worst case, recovery plan or forced into merger.	Medium	High	Good	High

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<p>FINANCIAL ISSUES (CONT'D)</p> <p>FAILURE TO ACHIEVE CONTRACTED OVERALL TEACHING DELIVERY TARGETS FOR ANY KEY PARTNER (SFC/SDS/ESF) (F2)</p>	<p>Annually plan and deliver portfolio to required quality standards, ensuring appropriate recruitment, retention and profile of students.</p> <p>Discussions within Glasgow Colleges Group and with other partners to plan curriculum and make changes annually to meet market needs and Government and SFC guidance.</p> <p>Ensure stated teaching activity targets are met.</p> <p>All commercial activity costed at the planning stage to ensure viability within required criteria.</p> <p>Work closely with relevant partners to ensure programmes implemented as planned.</p> <p>Ensure all relevant agency (e.g. SDS) milestones and documentation requirements achieved.</p> <p>College undertake effective competitor analysis, clear branding and focused marketing to maintain effective student recruitment.</p>	<p>Loss of income.</p> <p>Fail to meet financial liabilities.</p> <p>Worst case, recovery plan or forced into merger.</p>	High	Medium	Good	High

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<p>FINANCIAL ISSUES (CONT'D)</p> <p>POTENTIAL NATIONAL PROCESS IMPACTS OF BARGAINING</p>	<p>Make representations to Colleges Scotland, Principals' Forum, GCRB and national negotiating group.</p> <p>Emphasis on financial sustainability imperative and affordability issues, particularly given increased pension and NI costs and reduced SFC funding, and within the challenges of the Glasgow regional context.</p> <p>Discussion with unions on impact on College financial sustainability and organisational impacts.</p>	<p>Staff costs rise ahead of funding inflation.</p> <p>Fail to meet other liabilities.</p> <p>Staff cuts result in inadequate teaching and other resource.</p>	High	High	Satisfactory	High

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
FINANCIAL ISSUES (CONT'D)						
BUDGETARY CONTROL OF THE COLLEGE'S FINANCIAL RESOURCES	Annual revenue budget and capital programme considered by the Finance and Resources Committee (FRC) before submission to the Board.	Failure of Faculties and Support Services to exercise budgetary control, leading to overstretching expenditure commitments.	High	Medium	Good	High
CASHFLOW ISSUES	Detailed budgets are prepared and communicated to budget holders.	Steps are not taken to manage unexpected increases in costs or decreases in income to minimise the impact on the final out-turn, and achievement of strategic aims.	Medium	Medium	Good	Medium
COLLEGE NO LONGER ASSESSED AS A FINANCIAL GOING CONCERN	Budget reports uploaded to intranet and Finance meet with budget holders regularly. During the year, the Vice Principal – Resources and College Development is responsible for submitting any significant revisions to budgets to the FRC for consideration before submission to the Board for approval. Regular reporting of budget v actual spend to senior management and the Board with explanation for variances. Cashflow forecasts submitted monthly to SFC as required. Cash planning undertaken on a detailed basis with SFC funding transfers dependent on forecasts. Going concern monitored on an ongoing basis and formally assessed as part of the annual financial statements.	Loss making College. Inability to meet liabilities as they fall due. Adverse impact on College operations and growth. Inability to fund future capital expenditure. Damage to reputation.	High	Low	Good	Medium

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
FINANCIAL ISSUES (CONT'D)						
STUDENT FEE INCOME IS NOT RAISED OR RECORDED	<p>Systems should ensure that:</p> <ul style="list-style-type: none"> • Enrolment procedures are sufficient to ensure accuracy of student records information. • All fees are fully and correctly invoiced and processed. • All fee income is received. • Receipts are properly processed and recorded. • Adequate debt management and recovery procedures are in place. 	The risk here is that all fee income will not be raised, or that receipts will not be properly recorded and banked.	Medium	Medium	Good	Medium
FINANCIAL FRAUD, ABUSE	<p>Adherence to quality procedures.</p> <p>Financial Regulations and clearly defined fraud policies.</p> <p>Unethical Behaviour and Whistle-blowing Policy.</p> <p>Segregation of duties.</p> <p>Internal audit visits throughout College.</p>	<p>Fraud and theft.</p> <p>Loss of assets, financial loss to the College.</p> <p>Adverse publicity.</p>	Medium	Low	Good	Medium

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
FINANCIAL ISSUES (CONT'D)						
FOUNDATION REFUSES / WITHHOLDS FUNDING FOR KEY COLLEGE PRIORITIES	Ongoing dialogue with Foundation trustees. Appropriate bid arrangements in place.	Adverse impact on College operations and growth. Inability to fund future capital expenditure.	High	Low	Good	Medium
PERFORMANCE OF PENSION FUNDS	Performance of pension funds is kept under review.	Poor performance of pension funds leading to possible deficits.	High	High	Satisfactory	High

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<p>FINANCIAL ISSUES (CONT'D)</p> <p>MAIN FINANCIAL SYSTEMS:</p> <p>General Ledger</p>	<p>Ledger structure such that it allows data to be extracted per project and give meaningful figures to the budget holders.</p> <p>Control account reconciliations, clearance of suspense accounts and review of journal entries.</p> <p>Controls over, and reconciliation of, the main feeder systems to the General Ledger.</p> <p>Annual accounts prepared in accordance with statutory requirements.</p>	<p>Financial management information is not available to inform management decisions.</p> <p>Annual accounts preparation is unnecessarily time consuming, or proper accounts cannot be produced.</p> <p>Financial returns are time consuming to produce or deadlines are missed.</p>	Medium	Medium	Good	Medium

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
FINANCIAL ISSUES (CONT'D) MAIN FINANCIAL SYSTEMS (CONT'D): Procurement and creditors / purchasing	<p>Process for ordering, receipt of goods / services and authorisation of invoice for payment set out in Financial Regulations and Procurement – Purchasing Procedure.</p> <p>Nominated authorised signatory approves Purchase Order Requisition (POR) and ensures adequate budgetary resources available.</p> <p>Quotes / tenders obtained above set thresholds.</p> <p>Approval required from the SFC for certain expenditure above thresholds set out in the Financial Memorandum.</p> <p>Procurement Strategy in place.</p> <p>Online purchase order requisitioning and goods receipting system in place.</p> <p>Procurement Officer in post who reviews all PORs >£2k. APUC and other consortium contracts used where these provide 'best value'.</p> <p>Monthly reconciliation of accounts balances and supplier statements.</p>	<p>Costs of goods and services may be higher than necessary.</p> <p>Payment may be made for goods and services not received or authorised by the College.</p>	Medium	Medium	Good	Medium

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
FINANCIAL ISSUES (CONT'D) MAIN FINANCIAL SYSTEMS (CONT'D): Debtors / Income	<p>Process for raising sales invoices and income handling set out in Financial Regulations.</p> <p>Particulars of all work done or services provided notified to Finance on an Invoice Request form and invoices raised promptly.</p> <p>Any credits granted must be properly authorised.</p> <p>All monies received by Faculties and Departments must be recorded on a daily basis and passed to the Finance Office for banking.</p> <p>Aged debt listing reviewed on a monthly basis and standard reminder letters produced.</p> <p>Assistant Principal – Finance and Infrastructure authorises bad debt write-offs < £2,000, with Finance and Resources Committee approval required for amounts above that figure. Write-offs above thresholds set out in the Financial Memorandum to be reported to SFC.</p>	<p>All income due may not be received.</p> <p>Receipts may not be properly processed and banked.</p>	Medium	Medium	Good	Medium

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
FINANCIAL ISSUES (CONT'D) MAIN FINANCIAL SYSTEMS (CONT'D): Cash and Bank / Treasury Management	<p>Treasury Management policy and process for receipt of cash set out in Financial Regulations.</p> <p>Process for authorising, controlling and recording cheque and BACS payments; credit card and petty cash expenditure set out in detailed Financial Procedures. Cheques of any amount must be countersigned by two authorised signatories.</p> <p>Bank accounts can only be opened or closed by the Vice Principal – Resources and College Development or the Assistant Principal – Finance and Infrastructure, with the prior formal approval of the Board of Management.</p> <p>All monies received are paid into the College's bank accounts daily or at such other interval as may be approved by the College Accountant / Finance Manager.</p> <p>All bank accounts are subject to monthly reconciliation and these are reviewed and signed by the College Accountant or Finance Manager.</p> <p>Claims for funding made to the SFC monthly based on forecast cash requirements.</p>	<p>All receipts and payments may not be properly recorded.</p> <p>All income may not be banked or properly accounted for.</p> <p>Treasury management may not be as efficient as possible.</p>	Medium	Medium	Good	Medium

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
COMMERCIAL ISSUES						
PREVENTION AND RESPONSE TO EXTERNAL CLAIMS AGAINST THE COLLEGE FOR BREACH OF CONTRACT	<p>Goods / services provided to external bodies are the subject of a binding and clearly worded legally contractual agreement.</p> <p>Review by legal advisers prior to signing.</p> <p>Expertise of Business Development staff.</p> <p>Regular monitoring of progress.</p> <p>Regular liaison with funders.</p>	<p>Breach of commercial contracts.</p> <p>Potential litigation, possible punitive damages.</p> <p>Damage to reputation, jeopardising future income.</p>	Medium	Medium	Good	Medium
IDENTIFICATION AND RESPONSE (POSITIVELY AND CREATIVELY) TO OPPORTUNITIES AS THEY ARISE	<p>Advice from Business Development and Finance staff.</p> <p>Procedure for identifying income generating opportunities.</p> <p>Engagement with external organisations.</p> <p>Staff training.</p> <p>High priority in Corporate Plan.</p> <p>Regular review of activities by Board of Management and relevant committees.</p>	<p>Failure to realise full commercial value of strengths.</p> <p>Fail to maximise all potential sources of income for College.</p> <p>Poor management could lead to financial or reputational loss.</p> <p>Expenditure may be incurred in ventures that represent poor value for money.</p>	High	Medium	Satisfactory	High

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
COMMERCIAL ISSUES (CONT'D)						
FINANCIAL CONTROL OVER OTHER INCOME GENERATING ACTIVITIES	Financial Regulations require other income-generating activities to be self-financing or surplus-generating with a minimum surplus of 30% based on direct costs, unless it is intended there are agreed other reasons to pursue that activity.	Research and other contracts may over-spend irrecoverably.	Medium	Medium	Satisfactory	Medium
FAILURE TO ACHIEVE SURPLUS TARGETS FOR NON-SFC / COMMERCIAL ACTIVITY (F3)	Regular monitoring between Business Development Unit and Faculty Management of non-SFC commercial activity against agreed budget and replacement activity identified as required. Costing templates completed for all commercial activity. To be agreed with the Director / Head of School before any commitments made. Increased engagement and marketing effort to maintain current business but also to open and grow new income streams. Spread of activity across a range of areas to reduce risk of one large contract failure to overall surplus.	Cash flow may be adversely affected through slow collection of income after expenditure has been incurred. All income of the College is not recorded and banked. Income raising activities may not cover their costs. Balances are incorrectly carried forward resulting in either overspend or recognition of profits in the wrong period. Staff cuts.	High	Medium	Satisfactory	High

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
COMMERCIAL ISSUES (CONT'D)						
FINANCIAL CONTROL OVER OTHER INCOME GENERATING ACTIVITIES (CONT'D)	Review and develop market opportunities through business development strategy and grow new markets.	As above.				
FAILURE TO ACHIEVE SURPLUS TARGETS FOR NON-SFC / COMMERCIAL ACTIVITY (F3) (CONT'D)	<p>Regular reporting of budget v actual spend to senior management and the Board with explanation for variances.</p> <p>Financial Regulations cover raising invoices and debt management.</p> <p>Keep informed of constitutional change implications of Brexit and impact on non-SFC activity for the College.</p>					

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<p>ORGANISATIONAL ISSUES</p> <p>HIGH IMPACT DISASTER FOR COLLEGE E.G. FIRE, LONG TERM POWER LOSS (O5)</p>	<p>Health and Safety risk assessments in place and required testing and audits completed on an annual cycle.</p> <p>Business Continuity Plan in place.</p> <p>Estates condition survey completed and prioritising projects through estates based on affordability.</p> <p>Business interruption insurance in place.</p>	<p>Major disaster.</p> <p>Unable to operate.</p> <p>Disruption to teaching and / or support services.</p>	High	Low	Good	Low

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<p>ORGANISATIONAL ISSUES (CONT'D)</p> <p>FAILURE OF COLLEGE OPERATIONAL PROCESSES / SYSTEMS / ICT INFRASTRUCTURE (INCLUDING RISK OF FRAUD) (O2)</p>	<p>Monitoring systems in place across College and feedback from staff.</p> <p>Business system improvement processes in place.</p> <p>Infrastructure designed not to have single points of failure. Dual-core network topology.</p> <p>Virtualisation infrastructure which improves server resilience with two main data centres at different campuses.</p> <p>Member of JISC Information Security service. Support to secure against cyber-attack and regular ICT network penetration testing undertaken.</p> <p>ICT back-up procedures and Disaster Recovery planning.</p> <p>Web filtering technology in place and uninterruptable power supply in place.</p> <p>Fraud response plan in place.</p>	<p>Damage to the College's good standing.</p> <p>Financial penalties and / or loss of income.</p>	High	Medium	Good	High

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
ORGANISATIONAL ISSUES (CONT'D)						
CORPORATE GOVERNANCE FAILURE	Financial Regulations including responsibilities of the Board of Management and committee structure.	Inadequate corporate governance, resulting in poor management and possible financial loss.	High	Low	Good	Medium
FAILURE TO RECRUIT, TRAIN AND RETAIN AN APPROPRIATELY EXPERIENCED BOARD OF MANAGEMENT (G3)	Delegation scheme; code of conduct; committee remits; appointments process etc. Board member handbook reviewed annually. College Fraud Policy. Unethical Behaviour and Whistle-blowing Policy Compliance with GCRB Financial Memorandum, SPFM and FE Code of Good Governance. Continue to maintain membership of Board at suitable level with the correct level and mix of skills. Board External Effectiveness Review. Annual self-assessment for Board members and training provided as required. Induction provided for all new Board members. Ensure Board undertake an ongoing programme of training to meet CPD needs.	Press criticism arising from perceived corporate governance weakness or non-compliance. Fall in public perception of the College.	Medium	Low	Good	Medium

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
ORGANISATIONAL ISSUES (CONT'D)						
EFFECTIVE CORPORATE PLANNING	<p>Input into development of Glasgow Regional Outcome Agreement.</p> <p>Corporate planning process involving Senior Management Team and Board of Management.</p> <p>Key risks are discussed within the Development Plan.</p> <p>Operational plans have been produced to support and inform the achievement of Development Plan aims and objectives.</p> <p>Monitoring of the Development Plan by senior management and the Board.</p> <p>Regional Outcome Agreement monitored by GCRB.</p>	<p>Fail to determine and communicate an appropriate and focused strategy.</p> <p>Unable to react positively and timeously to sector changes or influences.</p> <p>Fail to attract sufficiently high quality student intake.</p> <p>Fail to attract and retain high quality staff.</p> <p>Fail to secure investment.</p>	High	Medium	Satisfactory	High

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
ORGANISATIONAL ISSUES (CONT'D)						
RISK MANAGEMENT	<p>Risk Management Policy.</p> <p>Financial Regulations outlining high-level procedures for Risk Management.</p> <p>Development of high-level risk and control framework.</p> <p>Risk Register.</p> <p>Monitoring and review by the Senior Management Team, Audit Committee and Board of Management.</p>	<p>If risk has not been adequately assessed, unexpected and unplanned situations could develop, for which no adequate insurance or contingency plan is in place.</p>	High	Medium	Satisfactory	High
DISRUPTION OF RELATIONSHIP WITH KEY GOVERNING ORGANISATIONS	<p>Work within roles, responsibilities, and legal implications of Post-16 legislation and associated related guidance.</p> <p>Working closely with GCRB Executive Director on appropriate policies, procedures and reporting framework.</p> <p>Glasgow Colleges Group meet to input and link within region and attend GCRB as invited.</p> <p>Liaison with SFC and Scottish Government.</p>	<p>Poor partnership working and relationships.</p>	High	Low	Good	Low

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<p>INFORMATION AND IT</p> <p>CATASTROPHIC FAILURE OF ICT SYSTEMS OR INFRASTRUCTURE</p>	<p>Infrastructure designed not to have single points of failure.</p> <p>Virtualisation infrastructure which improves server resilience.</p> <p>ICT backup procedures and Disaster Recovery planning.</p> <p>Replacement of Local Area Network infrastructure at Cardonald campus, with associated works at Langside, has provided improved network resilience.</p> <p>Uninterruptible power supply in comms. rooms.</p> <p>Fire extinguishers in comms. rooms.</p> <p>Hardware support and maintenance agreements in place.</p>	<p>Major IT disaster – loss of information or use of central hardware.</p> <p>Disruption to teaching and / or support services.</p>	High	Medium	Satisfactory	High

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
INFORMATION AND IT (CONT'D)						
BREACH OF ICT / CYBER SECURITY	<p>User name and complex password required and staff forced to change password every 60 days.</p> <p>Student access disabled 30 days after course end date.</p> <p>Servers and vital network equipment are kept behind lockable doors, with only authorised personnel having access.</p> <p>Firewalls.</p> <p>Web content filtering. Acceptable Use Policy. Staff and student Code of Conduct.</p> <p>Automatically updated virus checking system deployed College wide.</p> <p>Only ICT staff can install software to machines.</p> <p>Internal vulnerability testing and external penetration testing carried out.</p> <p>Access to information security expertise and best practice through membership of InfoSec.</p>	<p>Network security breached with consequent damage to mission-critical operations and theft of IPR.</p> <p>Disruption to access to network.</p>	High	High	Good	High

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
INFORMATION AND IT (CONT'D)						
BREACH OF DATA SECURITY / DATA PROTECTION LEGISLATION	Effective management of ICT arrangements.	Non-compliance with Data Protection Act and Fol (Scotland) Act.	High	High	Satisfactory	High
NON-COMPLIANCE WITH FREEDOM OF INFORMATION LEGISLATION	Staff training. Awareness sessions held. Policies and procedures manuals. Data Protection and Fol Officers appointed. Publication Scheme.	Shadow information held at department level. Damage to reputation. Potential litigation.	Medium	Low	Good	Low
NON-COMPLIANCE WITH USER LICENCE REQUIREMENTS	Central register of software and licence agreements held by ICT. Campus agreement for Microsoft software. Adobe agreement. All hardware and software purchased through ICT. Only ICT staff can install software to machines. Software on student machines refreshed annually.	Non-compliance with user licence requirements, leading to possible financial penalties.	Medium	Low	Good	Low

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
INFORMATION AND IT (CONT'D)						
MANAGEMENT OF SYSTEMS IMPLEMENTATION	<p>Proper procedures for development and implementation of new systems.</p> <p>Regular review of current and future requirements.</p> <p>PRINCE 2 based project management methodology used.</p> <p>Use of external consultants and expertise to manage major projects and to ensure services are fit for purpose and future proofed.</p>	<p>Failure to properly address all steps in the systems development life cycle can have serious consequences on the effectiveness of the system performance, and can be costly in financial and time allocation terms.</p> <p>Failure to provide accurate and complete operational / student management information.</p> <p>Loss of efficiency and effectiveness.</p>	High	Medium	Good	Medium
FAILURE TO ACHIEVE AMBITIONS OF ICT STRATEGY / STRATEGY AND DEVELOPMENT IS INEFFECTIVE	<p>ICT Strategy.</p> <p>Steer by Senior Management Team.</p> <p>Head of ICT attends Director of Faculty meetings.</p>	<p>Ineffective development and utilisation of information, learning and communication technology.</p> <p>Hinders the aim of increasing participation and promoting social inclusion.</p> <p>Hinders improvement in the learning process.</p>	High	Low	Satisfactory	Medium

Strategic Plan

The Strategic Plan covers the financial years 2017/18 to 2019/20. Audit days have been allocated to the categories identified in the ANA to give a rolling programme of work. Where relevant, these have been further split into sub-categories. Frequency of visits, the number of days allocated, and the position in the cycle has been determined with reference to the combined risk factors identified in the ANA, and previous internal and external audit coverage.

To clarify the linkage between the ANA and Strategic Plan we have included at pages 50 to 55 a listing of all risk categories, grouped by 'Priority'. On these schedules we have indicated the timing of our audit work, if any, in the three-year period, the number of days allocated and the project title as it appears on the Strategic Plan at pages 56 and 57.

Audit Methodology

Prior to commencement of the work each year the Strategic Plan will be reviewed in advance of the production of the Annual Plan. The Annual Plan will give more detail of the risks to be covered and the work to be carried out in each area. The process will include discussion with management, the College's external auditors and the Audit Committee as appropriate.

Once the Annual Plan has been agreed an audit timetable will be set and detailed planning will be carried out for each area.

The mainstream audit work falls into three categories:

- Governance;
- Financial; and
- Performance.

In all cases the audit work involves:

- Identification of the expected controls.
- Review of systems to identify actual controls.
- Consideration of established Best Practice in the area.
- Testing of controls to ensure they are operating effectively.
- Consideration of VFM issues where appropriate on all audit assignments and conducting specific VFM reviews as agreed with College management and the Audit Committee.
- Consideration of the relevance of business improvement tools, including lean systems and methodologies, to individual audit assignments.
- Discussion of findings and our likely recommendations with the relevant managers and staff involved with the systems. Recommendations will be graded to help management prioritise their importance.
- Issue of a draft report to confirm factual accuracy and obtain official management responses for inclusion in the final report.
- Issue of a final report that summarises audit objectives, work carried out, the implications of the findings for internal control, and an action plan with areas for improvement. The action plan will allocate responsibility for the implementation and give a timeframe for completion.
- Follow-up of action plans in future years.

Glasgow Clyde College – linkage between Strategic Plan and Audit Needs Assessment

High Priority

Risk Category	Coverage	Comment
Student Experience		
Significant Externally Driven Curriculum Change	2017/18	
Staffing Issues		
Negative Impact on Employee Relations (e.g. National Bargaining, Industrial Action, Local Consultation) (O1)		Previously covered by review of Staff Development in 2016/17.
Failure to Develop and Implement Succession Planning	2019/20	As above.
Estates and Facilities		
Use of Space Within Estate and Lack of Suitable Accommodation for Development of Academic and Support Activities		Business process review on Timetabling and Room Allocation carried out in 2016/17.
Financial Issues		
Failure to Achieve Financial Sustainability	2018/19	Previously covered by review of Budgetary Control in 2015/16.
Adverse Funding Changes (SFC/SDS/ESF) (F1)	2018/19	As above
Changing Economic Environment	2018/19	As above.
Failure to Achieve Contracted Overall Teaching Delivery Targets for Any Key Partner (SFC/SDS/ESF) (F2)	2018/19	Aspects previously covered by review of Student Recruitment in 2015/16.
Potential Impacts of National Bargaining Process		
Budgetary Control of the College's Financial Resources	2018/19	Previously covered in 2015/16.
Performance of Pension Funds		Sector wide issue.
Commercial Issues		
Identification and Response (Positively and Creatively) to Opportunities as they Arise	2017/18 2019/20	Commercial Activity previously covered in 2014/15.

High Priority

Risk Category	Coverage	Comment
Failure to Achieve Surplus Targets for Non-SFC / Commercial Activity (F3)	2017/18 2019/20	As above.
Organisational Issues		
Failure of College Operational Processes / Systems / ICT Infrastructure (Including Risk of Fraud) (O2)		Considered where applicable during all audits.
Effective Corporate Planning		Previously covered in 2016/17. Performance reporting / KPIs to be reviewed on 2018/19.
Risk Management		Previously covered in 2015/16.
Information and IT		
Catastrophic Failure of ICT Systems or Infrastructure	2019/20	IT Network Arrangements previously covered in 2016/17.
Breach of ICT / Cyber Security	2019/20	IT Network Arrangements previously covered in 2016/17. Penetration testing of external boundaries conducted annually.
Breach of Data Security / Data Protection Legislation	2017/18	

Medium Priority

Risk Category	Coverage	Comment
Reputation		
Loss of Reputation Resulting in Negative Perceptions – Loss of Business	2019/20	
Failure to Comply with Health and Safety Requirements (G2)	2018/19	Health and Safety Governance previously covered in 2014/15.
Failure to Meet all Legislative and Regulatory Requirements and / or Recommended Guidance (G1)	2019/20	Considered where applicable during all audits. Specific review of Equalities in 2019/20.
Student Experience		
Failure to Develop and Evolve Learning and Teaching and the Curriculum	2017/18	
New / Increased Competition		
Failure to Achieve Acceptably High Standard Quality of Teaching Delivery and Support for Students (O6)	2019/20	
Lack of Effective Student Support	2017/18	Student Association previously covered in 2014/15. Potential business process review of Student Advice.
Staffing Issues		
Failure to Recruit and Retain an Appropriately Skilled and Effective Workforce (O3)	2019/20	Previously covered by review of Staff Development in 2016/17.
Controls Over Payroll		Previously covered in 2015/16.
Estates and Facilities		
Failure to Achieve a Sustainable Fit for Purpose College Estate (O4)	2017/18	
Physical Security		
Disruption to Operations Following Loss or Breakdown of Key Equipment		Business Continuity Planning previously covered in 2014/15.
Failure to Meet All Regulatory Requirements		
Selection and Management of Third Party Contractors	2017/18	Procurement and Contract Management previously covered in 2014/15.
Projects Over Time	2017/18	

Medium Priority

Risk Category	Coverage	Comment
Capital Authorisation / Control Procedures	2017/18	
Projects Over Budget	2017/18	
Financial Issues		
Cashflow Issues		Cash flow reporting previously covered by review of Budgetary Control in 2015/16.
College No Longer Assessed as a Financial Going Concern		Covered annually by external audit.
Student Fee Income is Not Raised or Recorded		Previously covered in 2016/17.
Financial Fraud, Abuse		Considered where applicable during all audits.
Foundation Refuses / Withholds Funding for Key College Priorities	2017/18	Covered by review of Estates Strategy / Capital Projects / Building Maintenance in 217/18.
General Ledger		
Procurement and creditors / purchasing	2017/18	Purchase ledger and Procurement and Contract Management previously covered in 2014/15.
Debtors / Income		
Cash and Bank / Treasury Management	2019/20	Cash flow reporting previously covered by review of Budgetary Control in 2015/16.
Commercial Issues		
Prevention and Response to External Claims Against the College for Breach of Contract	2017/18 2019/20	Commercial Activity previously covered in 2014/15.
Financial Control Over Other Income Generating Activities	2017/18 2019/20	As above.
Organisational Issues		
Corporate Governance Failure		Previously covered by Audit Scotland review 2014/15 and Board external effectiveness review and internal audit review in 2016/17.
Failure to Recruit, Train and Retain an Appropriately Experienced Board of Management (G3)		As above.

Medium Priority

Risk Category	Coverage	Comment
Information and IT		
Management of Systems Implementation	2018/19	
Failure to Achieve Ambitions of ICT Strategy / Strategy and Development is Ineffective		Previously covered in 2016/17.

Low Priority

Risk Category	Coverage	Comment
Student Experience		
Management of Disciplinary / Appeals Procedures		
Risks Associated with Examination Marking		
Staffing Issues		
Failure to Comply with Employment Legislation	2019/20	
Contentious Staffing Policies		
Estates and Facilities		
Fleet / Asset Management		
Organisational Issues		
High Impact Disaster for College e.g. Fire, Long Term Power Loss (O5)		Business Continuity Planning previously covered in 2014/15.
Disruption of Relationship with Key Governing Organisations	2018/19	
Information and IT		
Non-Compliance with Freedom of Information Legislation		
Non-Compliance with User Licence Requirements	2019/20	

Strategic Plan 2017/18 to 2019/20

Proposed Allocation of Audit Days

	Category	Priority	Planned 17/18 Days	Planned 18/19 Days	Planned 19/20 Days
Reputation					
Publicity and Communications	Gov	M			4
Health and Safety	Gov	M		5	
Student Experience					
Curriculum	Perf	H/M	5		
Quality	Perf	M			5
Student support (Business Process Review)	Perf	M	6		
Student recruitment and retention	Fin/Perf	H		5	
Student Association	Gov	M			
Staffing Issues					
Staff recruitment and retention)	Perf	M/L			5
Staff development)	Perf	H/M			
Payroll	Fin	M			
Estates and Facilities					
Building maintenance)	Fin/Perf	M	3		
Estates strategy / capital projects)	Fin/Perf	H/M	3		
Space management	Perf	H			
Asset / fleet management	Perf	L			
Financial Issues					
Budgetary control	Fin	H		5	
Student fees and contracts / registry	Fin	M			
ESF funding	Gov/Fin	M		4	
General ledger	Fin	M			
Procurement and creditors / purchasing	Fin	M	5		
Debtors/ Income	Fin	M			
Cash & Bank / Treasury management	Fin	M			4
Commercial Issues					
Business Development	Fin/Perf	H/M	6		
International Activities	Gov/Fin/Perf	H/M			5
Organisational Issues					
Risk Management	Perf	M			
Business Continuity	Perf	L			
Corporate Governance	Gov	M			
Corporate Planning	Perf	M			
Performance reporting / KPIs	Perf	M		4	
Partnership Working	Gov/Perf	M		4	
Equalities	Gov	M			4

Proposed Allocation of Audit Days (Cont'd)

	Category	Priority	Planned 17/18 Days	Planned 18/19 Days	Planned 19/20 Days
Information and IT					
<i>IT network arrangements</i>	Perf	H/M			5
<i>Data protection</i>	Gov	H	4		
<i>FOI</i>	Gov	L			
<i>Systems development / implementation</i>	Perf	M		5	
<i>IT strategy</i>	Perf	M			
Other Audit Activities					
Management and Planning)			5	5	5
External audit / SFC)					
Attendance at audit committees)					
Follow-up reviews		Various	3	3	3
Audit Needs Assessment					
Total			40	40	40
			=====	=====	=====

Key

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

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