

**Glasgow Clyde College**

**Internal Audit Annual Plan 2017/18**

**Internal Audit Report No: 2018/01**

**Draft Issued: 2 November 2017**

**Final Issued:**

## Content

	Page No.
<b>1. Introduction</b>	<b>1</b>
<b>2. Strategic Plan 2015 to 2018</b>	<b>2</b>
<b>3. Outline Scope and Objectives</b>	<b>4</b>
• Curriculum	4
• Student Support (Business Process Review)	5
• Estates Strategy / Capital Projects / Building Maintenance	6
• Procurement & Creditors/Purchasing	7 - 8
• Business Development	9
• Data Protection	10
• Follow-Up Reviews	11

## 1. Introduction

- 1.1 The purpose of this document is to present for consideration by management and the Audit Committee the annual operating plan for the year ended 31 July 2018. The plan is based on the allocation of audit days for 2017/18 set out in the draft Audit Needs Assessment and Strategic Plan 2017 to 2020, which will be presented to the Audit Committee for approval at its meeting on 22 November 2017.
- 1.2 A copy of the draft Strategic Plan is included at Section 2 of this report.
- 1.3 At Section 3 of this report we have set out the outline scope and objectives for each audit assignment to be undertaken during 2017/18, together with the audit approach. These have been arrived at following discussion with the Vice Principal - Resources & College Development and the Assistant Principal - Finance & Infrastructure and consideration by other members of the College Management Team. The outline scopes will be finalised after discussion with responsible managers in each audit area.
- 1.4 Separate reports will be issued for each assignment with recommendations graded to reflect the significance of the issues raised.

## 2. Strategic Plan 2017 to 2020

### Proposed Allocation of Audit Days

	Category	Priority	Planned 17/18 Days	Planned 18/19 Days	Planned 19/20 Days
<b>Reputation</b>					
Publicity and Communications	Gov	M			4
Health and Safety	Gov	M		5	
<b>Student Experience</b>					
Curriculum	Perf	H/M	6		
Quality	Perf	M			5
Student support (Business Process Review)	Perf	M	5		
Student recruitment and retention	Fin/Perf	H		5	
Student Association	Gov	M			
<b>Staffing Issues</b>					
Staff recruitment and retention )	Perf	M/L			5
Staff development )	Perf	H/M			
Payroll	Fin	M			
<b>Estates and Facilities</b>					
Building maintenance )	Fin/Perf	M	3		
Estates strategy / capital projects )	Fin/Perf	H/M	3		
Space management	Perf	H			
Asset / fleet management	Perf	L			
<b>Financial Issues</b>					
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
<b>Commercial Issues</b>					
Business Development	Fin/Perf	H/M	6		
International Activities	Gov/Fin/Perf	H/M			5
<b>Organisational Issues</b>					
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 (Continued)**

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

**Key**

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

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

### 3. Outline Scope and Objectives

<b>Audit Assignment:</b>	Curriculum
<b>Priority:</b>	High / Medium
<b>Audit Committee Meeting:</b>	TBC
<b>Days:</b>	6

#### Scope

This audit will consider the key risks in relation to the College's curriculum.

#### Objectives

The objective of the audit will be to ensure that:

- the core College curriculum is aligned with national priorities and the needs of regional industry, employers and individual learners;
- there is a process in place to review and refresh existing programmes on a regular basis;
- adequate controls are in place over the development of new programmes including the preparation of a business case, costing and pricing;
- the College has exploited the potential of new technology in order to widen access to the curriculum and enhance the learner experience;
- the curriculum planning process takes sufficient cognisance of the College's share of the Region's Credits target; and
- there are strong links between the curriculum planning process and workforce planning and budgeting.

#### Our audit approach will be:

Interviews will be held with the Vice Principal – Curriculum and External Relations, Faculty Assistant Principals and other relevant staff to assist in documenting the systems and processes in place. A detailed assessment of the key internal controls will be performed, and an audit testing programme will be devised thereon.

<b>Audit Assignment:</b>	Student Support (Business Process Review)
<b>Priority:</b>	Medium
<b>Audit Committee Meeting:</b>	TBC
<b>Days:</b>	5

### Scope

The scope of this assignment will be to carry out a review of the current procedures for the various stages of the student advice process, with particular focus on the interaction between the Student Advice Team, Faculties and the Student Funding Team, with a view to identifying and removing waste from the current process and proposing procedural improvements.

### Objectives

The objective of the audit will be to ensure that:

- the anticipated outcomes for all stakeholders, including students, from the student advice process are clearly defined;
- the steps in the value chain are identified;
- steps that do not add value are identified with a view to eliminating them; and
- steps that create value occur in the right sequence.

### Our audit approach will be:

Through focus groups or interviews with staff nominated by the College from the Student Advice Team, Faculties and the Student Funding Team we will use a range of business improvement tools to identify stakeholder needs; identify opportunities for removing inefficiency and waste from the current student advice process and map out revised processes which will create a flow between value creating steps to improve the process.

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 processes are deliverable and embedded across the College.

<b>Assignment:</b>	Estates Strategy / Capital Projects / Building Maintenance
<b>Priority:</b>	High / Medium
<b>Audit Committee Meeting:</b>	TBC
<b>Days:</b>	6

## Scope

The scope of the audit will be to carry out a review of the strategic asset management arrangements in place at the College, and review and test the policies and procedures for the planning, control and monitoring of capital projects.

## Objectives

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

- an Estates Strategy is in place which is aligned with the College's Development Plan objectives and other strategies, Regional plans and strategies, and student needs and aspirations;
- the capital investment appraisal process, including the information provided to the Board of Management and committees for decision making purposes is robust;
- risk management and contingency planning arrangements are in place for capital projects;
- the selection and management of consultants and contractors, including the tendering process, is conducted in line with the College's procurement procedures;
- progress made on projects, and expenditure against budget, is monitored by management and Board committees;
- regular condition surveys are undertaken, and other good quality information is available, to inform asset management decisions;
- plans are in place to keep the College's assets in good condition as economically as possible and meet changing and rising standards as far as they can be foreseen; and
- there is a comprehensive cyclical testing and maintenance programme that covers all items requiring regular testing or maintenance under the relevant legal and regulatory framework.

## Our audit approach will be:

Review relevant documentation including strategies, plans, policies, procedures, management information, minutes, option appraisal documents, bids for funding etc. relating to asset management and the College's capital projects and discuss the approach adopted with the Vice Principal - Resources and College Development, Assistant Principal - Finance and Infrastructure and Head of Estates, Facilities and Energy. We will then consider whether the College's approach to strategic asset management, and the policies and procedures in place for the planning, control and monitoring of capital projects accord with good practice.

On a sample basis, we will test compliance with the College's policies and procedures for the planning, control and monitoring of capital projects.



<b>Assignment:</b>	Procurement & Creditors/Purchasing
<b>Priority:</b>	Medium
<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 will also consider whether the procurement strategy followed and procedures in place support best value purchasing across the College in relation to non-pay spend.

### Objectives

The specific 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.

**Audit Assignment:**

Procurement and Creditors / Purchasing (Continued)

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

From discussions with Procurement staff, and a sample of budget holders, we will establish what procurement strategies, procedures and monitoring arrangements are in place within the College. These will then be evaluated to establish if 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.

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.

**Glasgow Clyde College  
Internal Audit Annual Plan 2017/18 DRAFT**

<b>Assignment:</b>	Business Development
<b>Priority:</b>	High / Medium
<b>Audit Committee Meeting:</b>	TBC
<b>Days:</b>	6

**Scope**

This audit will consider the key risks in relation to the College's commercial activities, excluding in the international market, which will be covered separately on the internal audit programme.

**Objectives**

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

Secondary objectives will be to ensure that:

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

**Our audit approach will be:**

From discussion with the Vice Principal - Resources and College Development, Director of Commercial and International Business, Head of Commercial Development, Head of Marketing and Communications, Head of External Funding, and other relevant staff, and review of relevant documents, we will establish the key controls in place within the above areas and consider their adequacy.

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

<b>Assignment:</b>	Data Protection
<b>Priority:</b>	High
<b>Audit Committee Meeting:</b>	TBC
<b>Days:</b>	4

### Scope

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

To help prepare for GDPR there are 12 steps that the Information Commissioner's Office advises that organisations take. These cover the following areas:

1. Awareness;
2. Information you hold;
3. Communicating privacy information;
4. Individual's rights;
5. Subject access requests;
6. Legal basis for processing data;
7. Consent;
8. Children;
9. Data breaches;
10. Privacy by design and impact assessments;
11. Data Protection Officers; and
12. International.

### Objectives

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

### *Our audit approach will be:*

Our proposed approach will divide the review into two distinct elements.

The first element will focus on the College's plans for preparing for the introduction of the GDPR.

The second element will consist of a high-level exercise to examine the progress which has been made in delivering the agreed action plan to provide assurance to the Audit Committee, in the form of an update report, that work is on track. This will be timed to coincide with the first Audit Committee in 2018.

<b>Audit Assignment:</b>	Follow-Up Reviews
<b>Priority:</b>	Various
<b>Audit Committee Meeting:</b>	TBC
<b>Days:</b>	3

### Scope

This review will cover reports from the 2017/18 internal audit programme and reports from earlier years where previous follow-up identified recommendations outstanding.

### Objective

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

### *Our audit approach will be:*

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