GLASGOW CLYDE
COLLEGE

AUDIT COMMITTEE

AUDIT COMMITTEE

The Seventeenth meeting of the Audit Committee will be held on Wednesday 23rd May 2018 at 4.30pm in Seminar R4, Cardonald Campus.

A G E N D A

18.15	Welcome and Apologies		D Watt
18.16	Declarations of Interests		D Watt

Minutes of Previous Meeting

18.17	Minutes of the Audit Committee meeting of 21.02.18	P	D Watt
18.18	Matters Arising – Action Grid	P	D Watt

Items for Discussion/Decision

18.19	Remit of Committee *minor amendment*	P	D Watt/J Thomson
18.20	Internal Audit Reports	P	Henderson Loggie
	- Curriculum		
	- Student Support (Business Process Review)		
	- Estates Strategy/Capital Projects/Building Maintenance		
	- Data Protection Review (Part 2) - To Follow		
18.21	Internal Audit 2017/18 Plan Progress & 2018/19 Plan	P	Henderson Loggie
18.22	External Audit Planning Memorandum for 2017/18	P	Scott Moncrieff
18.23	Update on General Data Protection Regulation	P	J Thomson
18.24	Institutional Efficiency Return 2016/17	P	T Elliott
18.25	College Strategic Risk Register	P	J Thomson

Items for Information/Noting

18.26	National Fraud Initiative – 2017 Outcomes	P	T Elliott
18.27	Section 22 Reports – Edinburgh College and New College Lanarkshire	P	J Thomson
18.28	Internal and External Audit Rolling Action Plan	P	T Elliott

Continual Improvement

18.29	Equalities Impact Assessment on Decisions Made		D Watt
18.30	Review of Papers (including Disclosable status)		D Watt
18.31	Any Other Business		D Watt

Date of the next meeting: 4.30pm on Wednesday 3rd October 2018, in the Boardroom, Langside Campus

AUDIT COMMITTEE

NOTES OF THE SEVENTEENTH MEETING OF THE AUDIT COMMITTEE HELD ON 21 FEBRUARY 2018, 4.30PM, SEMINAR ROOM 4, CARDONALD CAMPUS

PRESENT:

David Watt	Committee Chair
Clare Walker	Committee Member
Keith Rosser	Committee Member
David Perez	Committee Member
Michael Payne	Committee Member

IN ATTENDANCE:

Jon Vincent	Principal
Janet Thomson	Vice Principal Resources & College Development
Tracy Elliott	Assistant Principal – Finance & Infrastructure
Stuart Inglis	Henderson Loggie
Michael Lavender	Scott Moncrieff
Glenn Heritage	Clerk to the Board (Minute Taker)

ACTION

18.01   WELCOME AND APOLOGIES

D Watt welcomed everyone to the meeting. Michael Payne was introduced as a new Board Member, and invited to give a brief overview of his experience.

18.02   DECLARATIONS OF INTEREST

S Inglis informed the Committee that Henderson Loggie are also internal auditors of the Glasgow Colleges Regional Board.

There were no other declarations of interest.

18.03   MINUTES OF MEETING HELD ON 22 NOVEMBER 2017

The Minutes were accepted as a true record of events.

In response to M Lavender regarding the minute of item 17.50, T Elliott confirmed that a paper relating to the

National Fraud Initiative will be brought to the next Committee meeting.

The Chair asked that consideration of 'going concern' (of GCC) be submitted for the November/December meetings cycle of the Audit Committee in future.

18.04   MATTERS ARISING – ACTION GRID

Progress on all of the Matters Arising in the Action Grid was noted.

M Payne to be forwarded copy of the Internal Audit Report on Corporate Governance to give background context.   **GH**

Henderson Loggie intimated that they had made the requested updates to the Internal Audit Report on Corporate Governance and the Internal Audit Strategic Needs Assessment and Strategic Plan 2017 to 2020 as discussed at the meeting and as indicated in the minute.

18.05   REMIT OF COMMITTEE

J Thomson was invited to speak to the revised Remit within the agenda and circulated a copy of it with tracked change highlighted identifying the proposed revisions.

A Committee member queried point C15 from the Code of Good Governance and how this was reflected in the remit. J Thomson responded that paragraph 5 of the Internal Audit section of the remit would cover this stipulation from the Code.

J Thomson also explained that paragraph 2 of the External Audit section of the remit covered those monitoring requirements.

A Committee member queried the extent to which our Remit diverges from those of other colleges, in particular regarding the Risk Management section. J Thomson replied that the Committee's remit is not diverging, rather there are some different wordings used by other colleges and that whilst similar to others, there is some tailoring for the College as per the discussions previously at Committees.

A discussion took place over where value for money sits and whether it was for this Committee, largely operational, or another committee.

A Committee member said that the key question was the assurance which the Board requires on value for money and how this is provided. There was discussion around the areas of value for money, looking at efficiencies and a recognition that the Organisational Development Committee had a role, as well as other committees.

The College management were asked to consider how this might best be approached with consideration of an assurance framework and to revert on this.   **JT**

Various amendments, re-ordering part of the proposed text were suggested and agreed. J Thomson was asked to liaise on points raised, and after discussion the Remit was endorsed, with comments, and could then be submitted to the March Board meeting.   **JT**

18.06 INTERNAL AUDIT REPORTS
- DATA PROTECTION REVIEW (Part 1)

The Committee considered the item 18.08 prior to this item for coherence with the subject matter. These notes should be read in that context.

S Inglis was invited to speak to the Data Protection Internal Audit Report. Additional copies were made available to members as these papers had been produced after the main agenda pack given the need to complete this audit work at a later stage than the papers deadline.

S Inglis explained that this report was looking at the College's preparations for the new General Data Protection Regulations (GDPR) in May and appropriate actions; the purpose was to look at strengths and weaknesses and highlight risks. S Inglis reported that their audit concluded the College workplan covers all required main areas.

The audit report concluded satisfactory assurance and had one recommendation with management responses where there were areas not explicitly covered within the

College GDPR plan. A Committee member asked if similar work is being carried out for other colleges. S Inglis responded that a number of their College clients have audit work being completed in this area. He commented that this document was a high level review with a more detailed review to follow.

J Vincent commented that collaborative activity is taking place and opportunities are pursued to work jointly and share information.

A Committee member asked if a review of the timeline was within the scope of the audit and S Inglis responded that their work for this report had been looking at the plan on the assumption of working to stated deadline dates. The second piece of work will give more detail.

A Committee member sought confirmation that one day (of four available for this area) had been utilised to review this stage looking at the plan to identify what should be included and also any gaps and this was confirmed.

The Chair queried if management's plan should still be 'high level' or whether a degree of granularity and tactical actions are needed to achieve the objective.

A discussion followed around the wording and content of the report. The summary identifies areas management have considered giving main findings. The report refers to 'a limited number of activities' which was felt by some Committee members to imply criticism of the level of activities undertaken. S Inglis was asked if the report really meant the activities were limited in number and responded that the wording could be revisited. Consensus was that the word limited could be omitted.

SI

S Inglis said that the first day of review was just centred upon the plan and what it contained. The second part of the review will report on progress; this prompted further discussion around assurances this Committee and the Board would require, degree of granularity, what were key risks, as it was acknowledged that areas of this work had just started.

The Committee observed that considerable work will be required including around the supply chain elements and if there are any new policies which will require an approval process before 25 May 2018. A Committee

member queried engagement on any policy and procedure changes and was informed that if procedures change these can be simply noted as operational changes and if a change is such that Unions need to be engaged then that will happen.

18.07   INTERNAL AUDIT FINAL ANNUAL PLAN 2017/18

J Thomson was invited to speak to the Audit Plan Report which was issued with the agenda.

A Committee member asked whether Corporate Governance should be looked at annually. S Inglis explained that a Governance Review had taken place very recently however should the external environment change then Corporate Governance could be introduced as a priority area.

A Committee member asked about GDPR under the Data Protection section of the Annual Plan and if the timing is adequate for the required actions. J Thomson responded that the current stage for the College is planning and doing and that time is needed to achieve all actions. A Committee member requested assurance on achieving GDPR compliance in the timescale available and J Thomson responded that the work and actions achieved will be reported upon.

A Committee member asked about areas not included in the Annual Audit Plan e.g. payroll, strategy, which therefore may not be reviewed for 3 years. S Inglis explained it is likely to be that a recent review had taken place already and that there also needed to be prioritising cognisant of resources. Asked about externally focussed areas e.g. good practice, benchmarking, S Inglis replied that this forms part of their audit review process, and that could be made clear within the report.

In response to a question on the scope for the proposed Estates audit and whether it was sufficiently clear regarding the impact of the financial constraints and the operating environment. S Inglis responded that this review would take account of resources limitations.

In discussion on the Procurement audit scope, S Inglis informed the Committee that procurement feeds in and is

part of value for money; and assessment and context would form part of their review.

A discussion followed on the proposed Business Development audit with the Audit Committee seeking to clarify whether the objectives were sufficiently broad.

A Committee member felt the plan focussed more on risk than opportunity and an approach could be to better reflect the opportunities, balancing risk and advantage.

J Vincent explained the need for the College to be clear around what commercial activity may bring to the College.

And with cognisance that GCC cannot produce surpluses, so proceeds require to be utilised. A balance is required between growth opportunities and assessing potential for unintended consequences.

A Committee member indicated that the Audit Committee needed the assurance that we have assessed opportunities and considered risks to select the right option.

It was also noted that the corporate view held the importance of appropriate generation of income recognising there could be reasons other than financial to undertake some activities.

Following discussion the Audit Committee agreed the Plan.

18.08 UPDATE ON GENERAL DATA PROTECTION REGULATIONS

J Thomson was invited to speak to the report circulated with the agenda.

J Thomson took the Committee through the paper, highlighting preparations and that considerable time and effort is being spent on delivering the actions within the College workplan to enable GCC to be prepared for the GDPR regulations implementation.

Identifying the key steps following guidance as it exists from ICO (Information Commissioners Office) and others and the consequent key stages for preparation has facilitated production of the implementation workplan.

External assistance has been sought and following a tender process Scott Moncrieff have been interviewed and appointed to support the College through key stages of the process. This is now in place with their report due in March 2018.

The aim will be to produce a gap analysis and action plan in mid-March to inform progress ; GCC will also be required to ensure that a range of areas are considered for personal data, for example, that suppliers are compliant, length of data retention. It was noted this legislation is wide in its scope and impact. Whilst some elements of data retention rules are set out in areas of legislation some will be a judgement call for the College.

A Committee member asked for confirmation of the completion and reporting of gap analysis and mapping and was informed this will be mid- March. They felt this did not give very long to implement following report publication and asked if SMT felt confident we will achieve the target date of 25 May 2018.

J Thomson responded that indeed there is a lot of work being undertaken and that the College will be able to demonstrate the process and progress made for the deadline.

J Thomson was asked if the gap analysis and mapping could be available for the Board meeting on 14 March 2018. She responded that it is unlikely it can be completed a full two weeks ahead of scheduled date.

J Vincent informed the Committee that it would be appropriate to share progress or highlights with the Board but too early to finalise. He explained that the Report is intended for the SMT to use to take operational actions; the Board needed awareness and a presentation or update may be appropriate.

JT

T Elliot reassured the Committee that the focus for GCC is around taking reasonable steps to manage risk, and ensuring that any potential significant risks are closed down by 25 May 2018. It is also noted that ICO are still

developing guidance for all organisations and this has been slow in being published.

Audit Committee were asked to note that we are meeting with and sharing with the other colleges who are all in similar position; ideas are being shared between the Glasgow colleges; there has been shared training between GCC and Glasgow Kelvin College.

A Committee member enquired about sharing of personal data between faculties and employers and was informed that there will be a need for processes such as data sharing agreements and consideration of who holds responsibility for personal data. These issues are all part of the work being undertaken.

The Chair referred to the Remit of the Audit Committee *(External Audit, Considering the objectives and scope of any non-statutory audit work undertaken or to be undertaken, by the external auditor and advising the Board of Management of any potential conflict of interest)* and suggested that the Audit Committee should have been informed of the appointment of Scott Moncrieff with a report on any potential conflict of interest. J Thomson highlighted to the Committee that this had been considered before tender and at the presentation stage and will prepare an appropriate paper and circulate this.

JT/JV

18.09 UPDATE ON CYBER RESILIENCE

J Thomson was invited to speak to the report circulated with the agenda papers.

J Thomson took the Committee through the short update confirming that there is a detailed roadmap for Cyber Resilience which is aligned with GDPR where appropriate. She also confirmed that the report from the recent network penetration testing is not yet available but will be reported to the College shortly.

The key requirements by the Scottish Government Cyber Resilience Strategy were noted and it was highlighted that one of the most challenging related to the 14 day period for IT patches to be applied to achieve the Cyber Essentials PLUS certification. T Elliott indicated that this

has been flagged directly to Scottish Government by APUC as such.

A Committee member asked for assurance that there is a plan to get to where we want to be for cyber essentials and J Thomson responded that there was.

18.10   COLLEGE STRATEGIC REGISTER

J Thomson was invited to speak to the report circulated with the agenda papers.

J Thomson took the Committee through the College Strategic Risk Register highlighting those areas listed as high or of increasing risk.

A Committee member asked as funding allocations are a risk would business development be a mitigating factor.

J Vincent commented that it is necessary to ascertain if business development of itself achieves a return, adding that indications this year are that commercial activity is in line with budgetary targets.

T Elliot added that costing models evolve over time and the contribution from business development is meeting targets. Forward looking annual plans are reviewed quarterly.

A discussion ensued around ESF (European Social Funds) which J Vincent reminded is match funded against core SFC resources hence a reduction cannot be addressed by removing specific course due to the impact of the funds matched.

Currently the College do not know what the ESF reductions are likely to be but are very aware that they will be challenging to address and require a number or series of actions to resolve due to the operating parameters.

A short discussion on portfolio planning followed and J Vincent informed the Committee that as yet we do not know the totality of funding upon which to base a budget for 2018/19.

The Chair raised questions on capital funding and whether we have assessed the risks of absence of funding and how we would mitigate these.

A short discussion followed and J Thomson stated that plans may need to be extended out according to affordability. J Vincent said that we are working with the Foundation in terms of Estate plans. Also that GCRB acknowledge that Cardonald Campus is a focus for us in terms of its required maintenance in the next few years and that GCC and Cardonald Campus in particular is a significant issue in capital terms.

A Committee member referenced the recent communication from OSCR on keeping vulnerable beneficiaries, volunteers and staff safe which had recently been circulated to Board Members. A paper to the Board of Management is to be developed which can provide a context for risk assessment.

GH
SMT

18.11 INTERNAL AND EXTERNAL AUDIT ROLLING ACTION PLAN

T Elliott was invited to speak to the report.

T Elliot explained the purpose is to update at each committee meeting the status of actions from any previous recommendations of internal and external audit not yet fully implemented.

A Committee member asked at what point are actions closed and how this is decided. T Elliot responded that updates are sought until completion and that there is a follow up review completed annually by the internal auditor.

18.12 EQUALITY IMPACT OF DECISIONS MADE

No decisions were made requiring an Equality Impact Assessment. It was noted that there may be some equalities related decisions related to GDPR and that the GCC Equalities team will be involved as an operational function.

EQUALITY &
DIVERSITY

18.13   REVIEW OF PAPERS (INCLUDING DISCLOSABLE STATUS)

A short discussion on status of papers concluded that papers were disclosable unless there was good reason not and therefore, 18.08 was disclosable but 18.09 was not.

18.44   ANY OTHER BUSINESS

J Thomson will forward electronic copies of the Certificate of Assurance to members. There was no other business.   **JT**

DATE OF NEXT MEETING

4.30pm on Wednesday 23 May 2018, Seminar Room 4, Cardonald Campus.

AUDIT COMMITTEE

MEETING HELD ON 23 MAY 2018

MATTERS ARISING ACTION GRID

ITEM	ISSUE	LEAD	STATUS
17.50	**DRAFT EXTERNAL AUDIT REPORT FOR YEAR ENDING 31 JULY 2017** National Fraud Initiative. G Devlin confirmed that a paper would be coming to a future meeting of the Committee.	**TE/GD**	Paper is included with this agenda.
18.04	**MATTERS ARISING – ACTION GRID** M Payne to be forwarded copy of the Internal Audit Report on Corporate Governance to give background context.	**GH**	Completed
18.05	**REVIEW OF AUDIT COMMITTEE REMIT (c/fwd)** Consideration of VFM and assurance framework. College management were asked to consider how value for money, efficiencies might be approached and to consider an assurance framework. To revert to the Committee.	**JT**	To be reported at the October Committee.
18.05	**REVIEW OF AUDIT COMMITTEE REMIT (c/fwd)** Remit to be finalised and agreed per February Committee meeting discussion and taken to March Board of Management meeting.	**JT/GM**	Proposed updated remit submitted to March Board of Management with one amendment made at the Board meeting.
18.06	**DATA PROTECTION REVIEW** S Inglis was asked to amend wording of the summary review report referring to 'a limited number of activities'.	**SI**	The report wording was updated.

ITEM	ISSUE	LEAD	STATUS
18.08	**GDPR UPDATE** It was noted that the Gap analysis and mapping will be used by SMT to take operational actions with action plan being progressed. The Board needed awareness and a presentation or update may be appropriate at the March meeting.	**JT**	A paper was submitted to the March Board of management meeting.
	The Chair raised the matter of the non-statutory audit work being undertaken by the external auditor and that the Audit Committee should have been informed of the appointment of Scott Moncrieff with a report on any potential conflict of interest. J Thomson highlighted to the Committee that this had been considered before tender and at the presentation stage and will prepare an appropriate paper and circulate this.	**JT**	The assessment of the risk and how this has been mitigated has been circulated to members via email.
18.10	**COLLEGE STRATEGIC RISK REGISTER** The Committee asked that a Board paper be prepared following the OSCR communication on vulnerable people and safety.	**GH**	Paper was provided to the March meeting of Board of Management.

REMIT OF THE AUDIT COMMITTEE

The Committee shall satisfy itself as to the adequacy and effectiveness of the Glasgow Clyde College's internal financial and management systems, and advising the Board on the College's processes for risk, control and corporate governance. The functions listed here are delegated by the Board to the Audit Committee.

INTERNAL CONTROL	Reviewing, and advising the Board of Management of, the Internal Auditor and External Auditor's assessment of the effectiveness of the College's internal financial controls and internal control and risk management systems, including controls specifically to prevent or detect fraud or other irregularities as well as those for securing economy, efficiency and effectiveness, and value for money; and
	Reviewing and advising the Board of Management on its compliance with corporate governance requirements, including risk management practices and best practice guidance, and compliance with the requirements of the Scottish Funding Council and the Financial memorandum with the Glasgow Colleges Regional Board.
INTERNAL AUDIT	Advising the Board of Management on the selection, appointment or reappointment and remuneration, or removal of the contracted out Internal Audit Service (IAS) provider.
	Advising the Board of Management on the terms of reference for the IAS.
	Reviewing the scope, efficiency and effectiveness of the work of internal audit, considering the adequacy of the resourcing of internal audit, and advising the Board of Management on these matters.
	Advising the Board of Management of the Audit Committee's approval of the basis for and the results of the internal audit needs assessment.
	Reviewing the IAS's monitoring of management action on the implementation of agreed recommendations reported in internal audit reports and internal audit annual reports.
	Considering salient issues arising from internal audit reports, and management's responses and report to the Board on such matters.
	Informing the Board of Management of the Audit Committee's approval of the internal audit service's annual report.
	Ensuring establishment of appropriate performance measures and indicators to monitor the effectiveness of the IAS.
	Securing and monitoring appropriate liaison and co-ordination between internal and external auditors.
	Ensuring good communication between the Committee and the Lead

	of IAS.
	Responding appropriately to notification of fraud or other improprieties received from the Lead of IAS or other persons. This will include the use of the College Fraud Response Plan.
EXTERNAL AUDIT	(The College's external auditors shall be appointed by Audit Scotland.)
	Reviewing the External Audit Annual Plan.
	To consider the fee parameters within the external audit plan.
	Monitoring the integrity of the financial statements of the College and any formal announcements relating to the College's financial performance, reviewing significant financial reporting judgements contained in them, and from an audit perspective recommending them for approval to the Board. *(Note : Moved from Governance and Compliance section)*
	Reviewing the external auditor's annual Management Letter and monitoring management action on the implementation of the agreed recommendations
	Advising the Board of Management of salient issues arising from the external auditor's management letter and other external audit reports, and of management's response .
	Reviewing the Statement of Corporate Governance.
	Holding discussions with the external auditors and ensuring their attendance at Audit Committee and Board of Management meetings as required.
	Considering the objectives and scope of any non-statutory audit work undertaken or to be undertaken, by the external auditor and advising the Board of Management of any potential conflict of interest.
	Securing and monitoring appropriate liaison and co-ordination between external and internal audit.
VALUE FOR MONEY	Establishing and overseeing a review process for evaluating the effectiveness of the College's arrangements for securing the economical, efficient and effective management of the College's resources and the promotion of best practice and protocols, and reporting to the Board of Management on such matters.
	Ensuring there are appropriate processes in place in the College to deliver value for money. .
	Advising the Board of Management of action that it may wish to consider in the light of national value for money studies in the further

	education sector.
RISK MANAGEMENT	Reviewing the College's risk management arrangements and Risk Management Policy on the annual basis.
	Reviewing the College Strategic Risk Register at least twice per year or as requested by the Chair of the Committee to ensure that the College's approach to managing risks is appropriate.
	The Board of Management is responsible for the review and effectiveness of the College risk management arrangements and should form its own opinion despite these delegations to the Committee.
GOVERNANCE AND COMPLIANCE	Reviewing the College's compliance with the Code of Good Governance for Scotland's Colleges and advising the Board of Management on this. As part of this, the Committee shall satisfy itself that other Board committees provide assurance to the Board, as appropriate, on their governance related activities. Producing an annual report for the Board of Management.
	Advising the Board of Management of significant, relevant reports from the Scottish Funding Council and Audit Scotland and successor bodies and, where appropriate, management's response to these. Reviewing reported cases of impropriety to establish whether they have been appropriately handled.
	Act in accordance with the whistle blowing policy.
	Undertake a regular self-evaluation of the Committee.
	Meet in private with the internal and external auditors at least once annually. Liaise as appropriate with the Finance and Resources Committee.
MEMBERSHIP	The membership of the Committee is six Board members, of which one will provide the role of Chair of the Committee, and one will act as Vice Chair if elected. The Chair is elected by the Board of Management and the Vice Chair is elected by the Committee. There should be no overlap of Board members with the Finance and Resources Committee. The Chair of the Board should not be a member of the Audit Committee, although he/she can attend as an observer. The membership should include a qualified accountant and if no member of the Committee is a qualified accountant then arrangements should be made for a co-option. A staff member of the Board can be a member of the Audit Committee, providing they do not have executive authority within the College which is taken as being the College Management Team level. The Board reviews the membership every four years. The Principal, the Vice Principal Resources and College Development and the Assistant Principal Finance & Infrastructure attend the Committee as advisers. The Committee meets at least four times per year.
QUORUM	The quorum set by the Committee is three members.

AUDIT COMMITTEE MEETING

Date of Meeting	23 May 2018
Paper Title	Internal Audit Reports:
	Curriculum
	Student Support (Business Process Review)
	Estates Strategy, Capital Projects, Building Maintenance
	Data Protection Review (Part 2)
Agenda Item	18.20
Paper Number	18.20.1, 18.20.2, 18.20.3, 18.20.4 (to follow)
Responsible Officer	Henderson Loggie, Internal Auditors
Status	Disclosable
Action	For Discussion

1. REPORT PURPOSE

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

- Curriculum

- Student Support (Business Process Review)

- Estates Strategy, Capital Projects, Building Maintenance

- Data Protection Review (Part 2)

2. RECOMMENDATION

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

3. BACKGROUND

The Curriculum internal audit report concludes that there is a good level of assurance in this area with the system meeting the control objectives and there are no recommendations.

The Student Support internal audit report is a business process review style of audit hence there are no recommendations. The review has suggested a number of improvement points for the College to consider whether these should be implemented.

The Estates Strategy, Capital Projects, Building Maintenance internal audit report concludes that there is a satisfactory level of assurance in this area with the system meeting the control objectives with some weaknesses present. There are three medium priority recommendations in the report and five low priority recommendations.

The Data Protection Review (Part 2) was a review of the College's preparation for the forthcoming General Data Protection Regulation and associated documents. This report is to follow given the timing of review prior to the implementation date and the date of issue of Committee papers.

4.   RISK ANALYSIS

There are no specific risk implications in this paper.

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

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

6.   HAS AN EQUALITY IMPACT ASSESSMENT BEEN CARRIED OUT

N/A

Glasgow Clyde College

Curriculum

Internal Audit Report No: 2018/04

Draft Issued: 26 April 2018

Final Issued: 9 May 2018

LEVEL OF ASSURANCE

Good

Content

Level of Assurance

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

Gradings are defined as follows:

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

Action Grades

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

1. Overall Level of Assurance

Good	System meets control objectives.

2. Risk Assessment

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

F2: Failure to achieve contracted overall teaching delivery targets for any key partner (SFC/SDS/ESF) (risk ranking: high)

3. Background

As part of the Internal Audit programme at the College for 2017/18 we carried out a review of the College's arrangements over setting and reviewing curriculum, including how it ensures the Regional Outcome Agreement (ROA) credits target will be met, and how budgeting and workforce requirements are considered for delivering the curriculum. We also reviewed the College's arrangements regarding use of new technology for learning and teaching. The Audit Needs Assessment, completed in November 2017, identified this as an area where risk can arise and where Internal Audit can assist in providing assurances to the Board of Management and the Principal that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

Poor curriculum portfolio choices affect student enrolments, the achievement of credits and ultimately the financial security of the College and the student experience.

It is important for the College to review its curriculum and course provision on a regular basis to ensure that it remains aligned with the needs of employers and individual learners and to ensure that programmes that are not cost effective are discontinued or amended.

Every year the College forecasts the credits it will earn from each course and ensures that it has planned to deliver sufficient credits to meet its ROA credits target. This is then monitored throughout the year as a guideline to whether the credits target will be met. If credits are forecast to be lower than the target, then decisions can be made to run additional courses or course cohorts in year.

E-learning, which includes a wide range of different software and hardware, is used by the College to assist learners. The main platform in use is the Virtual Learning Environment (VLE), Moodle, which allows staff to make teaching resources available for students, for them to access whenever they want to over the internet. Other resources are also used, including the Innovation Centre based at the Langside campus where staff and students can make use of technology in order to make learning more interactive and interesting.

4. Scope, Objectives and Overall Findings

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

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

Objective		Findings			
The main objective of the audit was to gain reasonable assurance that:	Assurance	**1** **2** **3** No. of Agreed Actions			Work underway or planned
1. The core College curriculum is aligned with national and regional priorities and the needs of regional industry, employers and individual learners	**Good**	0	0	0	✓
2. There is a process in place to review and refresh existing programmes on a regular basis	**Good**	0	0	0	
3. The College has exploited the potential of new technology in order to widen access to the curriculum and enhance the learner experience	**Satisfactory**	0	0	0	✓
4. The curriculum planning process takes sufficient cognisance of the College's share of the Region's Credits target	**Good**	0	0	0	
5. There are strong links between the curriculum planning process and workforce planning and budgeting	**Good**	0	0	0	✓
Overall Level of Assurance	**Good**	0	0	0	
		System meets control objectives			

5. Audit Approach

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

6. Summary of Main Findings

Strengths
- The College is involved in a wide range of activities to help identify what is appropriate curriculum to meet national, regional, employer and individual learner needs;
- There are a number of ways that the College uses to review and refresh its curriculum;
- A robust process is in place to ensure that sufficient course provision is planned to meet the College's credits targets. Any changes in year are monitored and proactive action is required to be taken to ensure that credits targets are met;
- A process is in place to ensure teaching staff keep up-to-date with the skills and knowledge they require. The existing process is performed annually, and we were advised that the College is seeking to improve this system to include more regular review; and
- There is an appropriate process for budgeting of staff costs.

Weaknesses
- The College seeks to teach students employability skills, soft skills, and instil appropriate values and behaviours in students. We noted that there is not a structured approach to ensure all students receive appropriate and sufficient training related to these areas. We were advised that College management is currently considering how best to ensure that students are taught these skills; and
- There is scope for increasing the use of the VLE. The College has already recognised that there is a need to improve the VLE platform and to increase staff engagement with the VLE, and a project is currently being undertaken to examine various options.

7. Acknowledgements

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

8. Findings and Action Plan

Objective 1: The core College curriculum is aligned with national and regional priorities and the needs of regional industry, employers and individual learners

National Priorities and Regional Industry and Sector Needs
The national priorities and regional industry / sector economic needs were reviewed at a regional level leading to the publication of the 'Glasgow Region Curriculum and Estates Plan 2015-2020'. This Plan resulted in a range of curriculum rationalisation and movement of curriculum among the Glasgow colleges and is reflected in the sector credits targets set out in the Glasgow Regional Outcome Agreement (ROA).

The Glasgow Colleges Regional Board (GCRB) has a Learning and Teaching Group which includes representation from all three Glasgow colleges and this group receives labour market intelligence, such as annual regional skills assessments, from Skills Development Scotland (SDS).

Reporting to the Learning and Teaching Group are individual Curriculum Hubs (each covering a specific curriculum area or areas) which are comprised of academic staff from the three Glasgow colleges. The Curriculum Hubs meet periodically and have reviewed the regional framework of courses being delivered to ensure that it is comprehensive and provides appropriate progression routes for students, as well as removing unnecessary duplication. The Hubs review information received from various sources, such as SDS and the Glasgow Chamber of Commerce which can point to over or under provision of curriculum and lead to a change in provision in the region. Destination survey information is also utilised in identifying any areas of concern.

There are a number of regional initiatives involving cross-college working, which at a regional level provide challenge on provision, and cover Foundation Apprenticeships, English for Speakers of Other Languages (ESOL) and childcare provision.

The College's Development Plan and supporting strategies provide a platform for delivering national and regional priorities, and these are being implemented through detailed operational plans at Faculty level that link into the Development Plan objectives and to self-improvement actions noted from the College Evaluative Report and Enhancement Plan (EREP) 2016-17. (See Objective 2 for additional information regarding the EREP).

There are a range of Skills Investment Plans covering different sectors, which aim to identify areas of future demand. These feed into the Regional Skills Assessments produced annually by Skills Development Scotland (SDS) and are presented to the GCRB Learning and Teaching Group, which subsequently feeds the information down to individual colleges. The Skills Investment Plans are considered when setting the ROA sector targets.

The College works with a range of Higher Education Institutions (HEIs), including collaborating to ensure that the units taught on courses will be adequate for articulation onto HEI courses. This also prevents duplication of units on College courses and in courses that students might progress on to in HEIs.

Objective 1: The core College curriculum is aligned with national and regional priorities and the needs of regional industry, employers and individual learners (continued)

Employer Needs

The College maintains links with the local community and employers in a variety of ways, including through work placements; staff involvement in commercial work; and staff who work part-time in their sectors. The level of involvement of Faculties with employers will vary, and it is down to Faculties to ensure that this is reflected within their Operational Plan objectives. We reviewed the Faculty of Engineering, Computing and Built Environment and noted that this included an objective to ensure that all staff spend one day a year with employers. We were advised by Curriculum Assistant Principals that the level of engagement within and across Faculties will vary but it is up to the Senior Lecturers and Heads of Curriculum to develop opportunities to engage with employers, through inviting employers in to the College or by going out to visit employers.

Where new staff are recruited directly from industry then this helps to identify course units which may be more relevant for industry.

The College's Commercial Department also assists in developing links with employers as Faculty staff will be used to deliver training or develop content for commercial clients. The information gained from this work can be used to identify revisions to existing courses. The Commercial Department has established a wide range of industry and employer partnerships across the curriculum areas.

The Flexible Workforce Development Fund (FWDF), a fund that is available to organisations across the private, public and third sectors who are subject to the UK Government's Apprenticeship Levy, allows employers in Scotland to apply for training up to a value of £10,000, with a focus on the up-skilling and re-skilling of existing employees of any age. The FWDF is delivered through Colleges providing in-work skills training and the College is already delivering some of this training. The FWDF is increasing the level of engagement which the College has with employers, and the intelligence captured will be fed into future curriculum planning decisions.

Objective 1: The core College curriculum is aligned with national and regional priorities and the needs of regional industry, employers and individual learners (Continued)

Employer needs - SQA

The majority of courses offered relate to Scottish Qualifications Authority (SQA) awards, such as National Qualifications (NQs), Scottish Vocational Qualifications (SVQs) and Higher National Certificates and Diplomas (HNC/Ds). The SQA has a number of ways to identify employer needs and consider how to ensure that course content is appropriate:

- The SQA develops and refreshes courses in conjunction with industry and education establishments to ensure that provision is aligned with the current demands of employers. Course refreshes are normally done every five years, although can be more frequent than this, through the Quality Development Team (QDT) process which includes college reps, employers and industry representatives meeting to discuss what should be included in a qualification;
- SQA courses are reviewed by Qualification Support Teams (QSTs), which include staff from different colleges, to ensure that the qualifications are fit for purpose. They discuss how the courses are delivered, include discussion with stakeholders to determine whether their needs have changed and are a means of exchanging information and sharing good practice; and
- There are at least annual SQA organised networking events for each subject. The College can take a number of staff to these where they can meet with employers and representatives of industry organisations in order to share knowledge about the relevant industry.

Core skills, employability skills, soft skills, values and behaviours

Increasingly employers are seeking individuals who not only possess the required technical skills, but also have appropriate core skills, employability skills, soft skills, values and behaviours. The following was noted regarding these areas:

- Core skills: Core skills are delivered in a variety of ways including via guidance sessions and embedded core skill units (covering numeracy, literacy and IT).
- Employability Skills: As part of the GCRB requirement to build employability activities into courses in early 2017 all Faculties had to identify what employability work was being done for each course, covering things such as workplace learning, simulated workplace activities or work-related projects, and it is planned that this will be updated in 2018. There are different sections of the course self-evaluation forms which cover core skills and employability skills. Student Advice staff are also involved in providing employability training, such as CV preparation and interview skills, either in the classroom setting or individually in the Student Advice centres.
- Soft skills, values and behaviours: There are some non-certificated units which develop soft skills, and some courses have significant soft skill components related to the course area, although some areas such as Science have nothing specifically included in these courses relating to soft skills development. We highlighted to the Vice Principal, Curriculum and External Relations that it may be beneficial to develop and formally document a core set of soft skills and require teaching staff to identify how these will be covered in their courses. We were advised by the Vice Principal, Curriculum and External Relations that College management have already been discussing what makes a student 'Career Ready' and how to better develop soft skills within students. Potential avenues to deliver this could be through building in more soft skills activities within SQA units, using in-house developed units, or other activities. As work is currently ongoing in this area no separate recommendation has been raised.

Individual Learners

At a regional level, the review of appropriate progression routes and an appropriate range of Scottish Credit and Qualifications Framework (SCQF) rated courses for individuals' varying needs has been undertaken through the Curriculum Hubs.

Objective 2: There is a process in place to review and refresh existing programmes on a regular basis

Review of courses

Review of courses relates to the process of reviewing courses for still being relevant for students and the labour market and includes consideration of key performance indicators such as those pertaining to retention and attainment, in order to consider the need to remove, add or significantly change the content of courses.

From discussion and review of documentation we confirmed that there are a range of ways in which courses are reviewed and challenged including:

- Internal curriculum review process: There is an internal curriculum review process undertaken annually for each Faculty. For the 2018/19 curriculum this process commenced around October 2017, with course team staff (the relevant Senior Lecturer and course lecturers) undertaking a self-evaluation of their courses (and course performance indicators) and the decisions made to keep or remove courses. This review process aims to highlight a) what works well, b) what is not working so well, and c) considers areas for improvement. A standard template was used in 2017 for all Faculties and Support Units. The self-evaluation forms completed are passed to the relevant Heads of Curriculum who review these and complete a summary for the courses in their area. These reports are then reviewed by the relevant Curriculum Assistant Principal. Meetings were then held for each Faculty, commencing in November 2017, which included the following participants: Principal, Curriculum Assistant Principal; Faculty Heads of Curriculum; Vice Principal, Curriculum and External Relations; Assistant Principal, Quality and Performance; and Acting Assistant Principal: Human Resources. The courses being provided, their performance information, recruitment levels and plans for removing, revamping or creating new courses were discussed by Faculty staff and were subjected to challenge by senior management. As a result of these meetings, retention and attainment improvement plans were developed (where required).

- Curriculum Assistant Principal meetings: There are fortnightly meetings of the four Curriculum Assistant Principals along with the Vice Principal, Curriculum and External Relations, Assistant Principal, Quality and Performance, and Assistant Principal Student Experience. During January to March each year a standing item to review curriculum is included on each of the Curriculum Assistant Principal meeting agendas.

- Team meetings: Within each Faculty the Heads of Curriculum and Senior Lecturers should meet regularly, to discuss a range of matters including retention, attainment and other PIs. Any matters raised should be minuted and minutes are shared with relevant staff.

- Other: Information may be obtained from external parties or through discussion at Curriculum Hubs that highlight the need to remove or amend courses.

From our evaluation it is our view that the above processes appear appropriate for reviewing the College's curriculum.

We also discussed the controls over changes to the course portfolio to ensure these were robust. We note that new further education courses do not require a formal documented business case. However, the Vice Principal, Curriculum and External Relations advised there must be a robust justification of a new course which would be discussed as part of the internal curriculum review process, at the Curriculum Assistant Principal meetings, or individually with himself. The need for significant development work or capital expenditure for a new course, plans for ensuring there were staff with the ability to teach the new course material, and market demand would be considered as part of this process. For higher education courses there is a formal process, including a standard form utilised by the Quality Unit. The master list of College courses is rolled forward annually by the Head of MIS. Any changes to this master list can only be made by the Head of MIS after formal authorisation by the relevant Curriculum Assistant Principal.

Objective 2: There is a process in place to review and refresh existing programmes on a regular basis (Continued)

Refreshing of courses

Refreshing courses includes considering whether courses have the most appropriate: optional units; use of the Virtual Learning Environment; delivery mode (including work placements); and provision of skills for learning, life and work.

From discussion and review of documentation we noted that there are a range of ways courses are reviewed including:

- Heads of Curriculum are responsible for ensuring that optional units are the most relevant for the needs of employers and students and that appropriate 'skills for learning, life and work' (which covers employability skills and core skills) and soft skills development are included on courses. This is achieved through the knowledge gained through interaction with employers, industry bodies, universities and through other information sources such as new staff recruited into the College directly from industry. In-house developed units are one way the College ensures that students are gaining skills for learning, life and work. An example of this is a unit entitled 'skills for study and work' which the College developed, and which provides guidance on how to take notes and how to revise effectively. The Curriculum Assistant Principals remit includes reviewing the course units to ensure that the optional units and skills for learning, life and work are being included in courses, although this is not a formal process. As noted under Objective 1, further work is being planned regarding soft skills;

- Course Team Meetings are required to be held once a term and should elicit student feedback, either through written feedback from the Class Rep or by including the Class Rep in the meetings. Details of actions are minuted and should be followed up by staff, which can include changing the units, changing the sequence of units, or changing the means of teaching;

- Focus groups are held by the Quality Unit and in 2016/17 the Quality Unit held 90 focus groups with students. Each focus group was with a class group without teaching staff present. A record of each meeting was taken highlighting the key improvement points required which was sent to Senior Lecturers and Heads of Curriculum for follow-up. There is not a formal process by Quality to gain evidence that all the improvement points have been followed up. However, in an effort to ensure that appropriate action has been taken, Quality have devised a set of five general questions which Senior Lecturers must respond to. This provides a general overview about the action(s) they have taken as a result of the feedback captured; and

- Every year students are asked to complete two surveys: an early impressions survey; and a student satisfaction survey. The results of these surveys are made available at Faculty level to relevant Curriculum Assistant Principals, and relevant information at course level is provided to the Heads of Curriculum and Senior Lecturers. The findings from this exercise should be taken into account when completing the next round of self-evaluations and be used to help refresh course content.

Objective 2: There is a process in place to review and refresh existing programmes on a regular basis (Continued)

College Evaluative Report and Enhancement Plan (EREP) 2016-17

During 2016/17 Education Scotland launched their new quality framework, 'How good is your college?' This requires colleges to carry out a self-evaluation against a number of categories, and to identify areas for improvement, setting findings out in an Evaluative Report and Enhancement Plan (EREP). The EREPs are then reviewed by Education Scotland and the SFC and an opinion is provided on whether the reports: provide an accurate and appropriate account of the quality of provision and services being delivered by the college; identify clearly what is working well; identify what needs to improve; take appropriate account of the views of stakeholders; and are supported by appropriately robust sources of evidence.

We reviewed the College' s EREP given that a number of sections relate to curriculum, including a) Delivery of learning and services to support learning - 2.2: Curriculum and b) Delivery of learning and services to support learning - 2.3: Learning, teaching and assessment. We noted that the College had identified within the EREP the following areas for development relating to curriculum:

- Some curriculum teams do not provide sufficient evidence that the skills for learning, life and work (e.g. literacy, numeracy and communication skills) are being delivered and more effective and targeted professional development is required;
- Some staff do not sufficiently gather appropriate feedback and reflect well on learning and teaching approaches to inform action planning and lead to improvements in the outcomes of learners; and
- Curriculum teams require to use more formal evaluative mechanisms to respond more systematically to the needs of external stakeholders to help inform improvement.

An improvement plan is already in place and being worked through to address areas identified for development. Such improvements could lead to reviewing and refreshing programmes.

Objective 3: The College has exploited the potential of new technology in order to widen access to the curriculum and enhance the learner experience

Strategies and Strategy Action Plans

Learning & Teaching Strategy:

The Learning & Teaching Strategy states that 'In conjunction with a wider college digital strategy, we will consider how the creative and emerging use of technology can enhance learning approaches, improve the student experience and lead to more positive outcomes.' Accompanying this is a Learning & Teaching Strategy Action Plan that includes actions to:

- Establish a baseline and improvement targets about how well all learners make use of, high-quality resources and equipment, including digital technologies;
- Increase the use and delivery of blended learning approaches in targeted curriculum areas; and
- Use the new Innovation Centre to increase engagement and training of staff in more collaborative and blended learning approaches to learning.

Digital Strategy:

There is also a College Digital Strategy that provides a framework through which the College aims to enable:

- The use of digital technology to provide high quality, efficient and sustainable resources and services for students and staff will be maximised; and
- A comprehensive programme of staff training to increase technical capability will be implemented to support digital development.

Key Themes for Development over the period 2016 – 2020 have been identified as: staff development; improved infrastructure; and performance measures. There is a Digital Strategy Action Plan which includes the following actions:

- Continue to support the learning and teaching strategy through the enhanced use of, and innovative approaches to, the College's VLE;
- Encourage use of mobile devices to access the VLE;
- Develop VLE as Student Portal, to replace the Student Intranet;
- Develop a broader range of technologies integrated with the VLE which support independent learning strategies;
- Embracing technological changes to support and enhance the learning and teaching environment and modes of study; and
- Promote the use of assistive technologies within teaching and support areas to enhance student inclusion and progression.

Virtual Learning Environment (VLE)

The VLE is accessible by students (for course specific information and learning materials) and allows staff to make teaching resources available for students to access whenever they want via the internet. It also allows learning to be more varied and interesting and also more interactive as there is the ability to include videos, quizzes, surveys, multi-choice questions, electronic portfolios and through a range of other functions. It also allows sharing of information and the ability for assignments to be electronically submitted in drop boxes. As well as enhancing the learning experience it also increases efficiency for lecturers as they can set quizzes or multi-choice assessments which are automatically marked, and this can assist in highlighting students who may be struggling and may require further assistance. The College uses the VLE as a way to support and enhance class-based teaching activities, rather than using it to replace class-based teaching, as this is considered the most effective teaching approach for the College's students.

Objective 3: The College has exploited the potential of new technology in order to widen access to the curriculum and enhance the learner experience (continued)

Virtual Learning Environment (VLE) (Continued)

The College has a number of staff involved in supporting the VLE, including an E-Learning Manager. From discussion with the E-Learning Manager we were advised that the College recognises that not all staff were engaging effectively with the VLE, and that the College considered that there was scope for improving the software platform which the VLE is provided on. Specific areas for improvement include enhancement of existing reporting capability around staff and student usage of VLE. As a result, a project has been initiated to examine alternative available VLE systems. Once an options report has been completed a decision will be made regarding the way forward on the VLE, including whether to replace the existing VLE platform or to retain and seek to enhance the current offering. A further decision will then be required on the best way to increase participation of lecturing staff with the VLE.

We were advised by the Vice Principal, Curriculum and External Relations that staff have previously discussed ways to increase staff engagement with the VLE. There is currently a staff digital capacity project which the College is considering undertaking jointly with JISC (which provides digital services and solutions for the FE and HE sectors). The College are considering supporting staff with Microsoft Certified Educator training, which is a suite of learning content which, when completed, would demonstrate that holders had an appropriate digital capacity for the practical integration of ICT into teaching and learning.

We also noted that the EREP highlighted as an area for development that 'A few staff do not take the opportunity to explore and implement a wider range of teaching approaches, including reflection on teaching methods and use of the VLE, to engage learners and enhance the learning experience.'

Therefore, as work is already being undertaken in this area no separate recommendation has been raised.

Use of Teaching Technology

From discussion with staff we noted that the College uses a range of teaching technology including:

- smart boards in classes;
- use of apps and on-line interactive resources, supported by computer labs and use of students 'bring your own' devices; and
- the use of drones and robots in the Faculty of Engineering, Computing and Built Environment.

Objective 3: The College has exploited the potential of new technology in order to widen access to the curriculum and enhance the learner experience (continued)

Innovation Centre

The College's Innovation Centre was launched in 2017 and is based in the LITEhouse building at the Langside Campus. The Centre's purpose is to provide a space where lecturers can explore new approaches to learning and teaching, including the innovative use of IT.

We visited the Innovation Centre and noted it includes a range of interactive spaces including:

- Amphitheatre with two large on wall projectors with touch screen technology;
- Collaboration tables with a large screen at the end, allowing students to show content from their tablets or phones on the screen via wi-fi;
- Breakout nooks – small cubby holes with seats down the sides, tables in the middle and a TV screen at the end - which are useful in facilitating learning and group discussion;
- Large Flat tables for group work and for completion of mind maps on flip charts; and
- A flexible classroom with chairs on rollers allowing students to be able to face the lecturer for class work, then to easily move into groups for group work.

Overall, we considered there were a good range of activities and opportunities in place to support the use of new technology to widen access to the curriculum and to enhance the learner experience.

Objective 4: The curriculum planning process takes sufficient cognisance of the College's share of the Region's credits target

The Regional Outcome Agreement sets out credits targets by curriculum area for the College and delivery of these targets are assigned to individual Faculty Directors. The College credit target is up to 2% higher than the GCRB ROA credit target and this extra leeway is built in to cope with uncertainty. The percentage over target is set following discussions between the Curriculum Assistant Principals and the Vice Principal, Curriculum and External Relations.

The College courses are rolled over from the previous year on Unit-E (the student registry system) with courses subsequently added or removed where new courses are introduced or where existing courses will no longer be run. The number of students that are expected to be recruited and to remain at the credits funding cut-off date are then estimated by Faculty staff based on historic trends and staff knowledge. If the planned provision was below the sector credits target, then the Faculty Director would look to create new courses or to develop more cohorts until the predicted credit provision was in line with the target. This information is shown on the Course Portfolio reports that are available on the College's staff intranet. The Course Portfolio report shows target and actual admissions, offers, and enrolments.

The Vice Principal, Curriculum and External Relations reviews the planned credit delivery on the Course Portfolio report. He is aware of any ongoing regional credit discussions and if there are late changes to the credit target then he will work with the Curriculum Assistant Principals to make the changes required to ensure that the courses and course target enrolments meet the ROA requirements.

If the College have not met their credit target for courses starting in August / September, then they will increase credit targets for January enrolments.

There are Credit Monitoring Reports in place which show the expected credits to be achieved, and these allow staff to drill down into individual courses. These reports include:
- enrolment data (initial enrolments, withdrawn students);
- credit target (by Faculty and School) made up of the number of enrolments, credits per student, and building in an early retention estimate; and
- overall total against target.

These reports can be reviewed by staff at any time, but are formally reviewed at Curriculum Assistant Principal meetings, SMT meetings, Board Learning and Teaching Committee meetings and Board meetings, which allows any need for proactive action to meet the credit target to be discussed and agreed.

The Head of MIS prepares reports periodically highlighting any credits that are at risk of not being achieved (covering scenarios where students may have enrolled but have not been turning up for classes and it is possible that they will be withdrawn before the funding cut-off date).

In addition to the above, there is a requirement for the College to submit credit target information to GCRB throughout the year, and the data at a regional level is monitored by GCRB.

Objective 5: There are strong links between the curriculum planning process and workforce planning and budgeting

Curriculum Planning and Workforce Planning

When planning curriculum changes, Curriculum Assistant Principals are required to consider how they will resource any proposed changes.

In instances where there is a reduction in provision (either through reduction of cohorts or removal of courses or units) then Curriculum Assistant Principals will look to reallocate staff to other courses, firstly within their Faculty, then elsewhere across the College. If the skill set of the staff affected are not able to be utilised in this way, then they would be asked to consider retraining. We noted that there was no formal process in place regarding how these discussions on retraining would be structured but all managers we spoke to regarding this topic advised that they would include HR in this process. We consider that HR involvement should ensure that appropriate processes were applied.

If there was the need for new staff through increases in curriculum provision then the Heads of Curriculum, through discussion with the Curriculum Assistant Principals, would decide on whether to recruit, upskill existing staff, or make use of temporary staff with the required skills and experience. We note that where there is a new post that a staffing requisition form must be submitted with a justification for the new post. This is reviewed and accepted or rejected by the Staffing Group which includes: the Vice Principal, Curriculum and External Relations; Vice Principal, Resources and College Development; Acting Assistant Principal, Human Resources; and Head of HR. If approved, then the relevant Head of Curriculum, Curriculum Assistant Principal will work with HR colleagues to recruit for the post.

We discussed with the Acting Assistant Principal: Human Resources the process to ensure that staff had the knowledge and skills for delivery of the curriculum. Our findings are split into two areas as follows:

- **Existing Courses – ensuring staff are keeping up to date with technology/latest practice:** There is a Personal Development Planning (PDP) process in place whereby each year staff sit down with their line manager to discuss a range of matters, as set out in the PDP form, including training needs, and complete a PDP form to record this. Completed PDP forms are returned to Organisational Development who then analyse these to identify areas of training need across the College for the following year. If there are team training needs, then Organisational Development will liaise with the relevant manager/s and arrange this. Completed training is recorded by Organisational Development staff on the staff training records section of the HR/payroll system. At the following annual PDP meeting the line manager should determine whether the staff member has completed the training they had previously agreed was required and should seek an explanation for any previously identified training need not addressed. As noted earlier in this report the College are currently undertaking a digital staff capacity project.
- **Future Changes (Short term for next academic year, or medium term based on emerging trends):** The College are seeking to enhance the PDP process to introduce more frequent discussions with staff throughout the year on changes in staffing, recruitment, succession planning, and any skills gaps. The new enhanced PDP process had not been finalised at the time of our audit fieldwork.

Objective 5: There are strong links between the curriculum planning process and workforce planning and budgeting (continued)

Curriculum Planning and Budgeting

The staffing budget is calculated as follows:

- the required number of teaching contact hours to deliver the planned curriculum is obtained from the Course Portfolio report;
- The number of available teaching contact hours from permanent staff is advised by HR;
- The difference between the required and available teaching contact hours is deduced, and this is assumed to be delivered through use of temporary staff; and
- The staffing budget is then calculated as a) cost of permanent staff from HR establishment listing plus b) temporary staff hours required multiplied by an average hourly rate for temporary lecturers) plus c) allowance for on-costs (National Insurance, pension, and an allowance for sickness/absence) plus d) a budget for temporary staff use on commercial work.

We reviewed the spreadsheet utilised to build up the pay budget each year and considered this process to be appropriate.

HENDERSON LOGGIE
Chartered Accountants

Glasgow Clyde College

Student Support (Business Process Review)

Internal Audit Report No: 2018/05

Draft Issued: 16 April 2018

Final Issued: 9 May 2018

Content

1. Background

As part of the Internal Audit programme at Glasgow Clyde College ('the College') for 2017/18 we facilitated a business process review of the work delivered by the College's Student Advice Team. This included the work they do regarding:

- Pre-entry guidance, including career and course guidance for individuals thinking of studying at the College, as well as attending events at schools. This encompassed advice to students on whether they will meet the requirements to have their fees paid and to receive a bursary or EMA;
- On course support, including provision of advice; giving assistance with UCAS applications; and helping with care experience students; and
- Pre-exit guidance, including progression and career guidance, and assistance with CV writing and job interview preparation.

The Student Advice Team has an office in each of the College's three campuses, and there are normally three to four Student Advice staff located in each office.

2. Scope and Objectives

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

The objective of the assignment was 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 do create value are delivered in the right sequence.

3. Audit Approach

Through interviews with staff from the Student Advice Team and Faculties, and through delivery of a facilitated group session, we utilised a range of business improvement tools to identify stakeholder needs; identify opportunities for removing potential inefficiency and waste from the current student advice processes; and proposed improvements which may be made to the existing processes.

We then prioritised the issues, in discussion with key College staff, and developed an action plan of proposed improvements for the College to consider.

4. Summary of Main Findings

The review identified several areas for investigation or improvement and all the identified actions are designed to enhance efficiency and effectiveness. No issues were identified during our review which would subject the College to material or significant risk.

The key areas for investigation or improvement noted during the review (from the 33 potential improvement points suggested by Student Advice staff) were:

- Making improvements to the website to answer queries at source and therefore reduce the volume of enquiries that Student Advice and other departments receive;
- Ensuring that the processes around the use of the 'Referral Form' are more efficient and are applied consistently across the College. This form is completed by lecturers who undertake pre-entry interviews as a way to identify those students who would benefit from help from Student Advice. The key aims of the 'Referral Form' are: a) to identify when advice is required by students on whether they will have their fees paid and receive any student funding; b) to gather information about assistance required to meet the individual student's needs (e.g. Core skills, disability, other assistance); and c) to use this information to flag to MIS, Learning Inclusion, and Faculties the information gathered in order that they can take follow-up action, as appropriate;
- Implementing improvements to the way in which Student Advice promote and provide careers guidance, employability related activities and pre-entry guidance; and
- Gathering information on service provision and conducting analysis of this data to identify trends to inform future service provision.

5. Acknowledgements

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

6. Improvement Points Identified from Facilitated Session

On 29 March 2018 we held a facilitated session with a range of Student Advice staff. The aim of the facilitated session was to identify areas of waste within Student Advice processes, and to highlight possible options for improvement. The facilitated session considered wastes falling into the seven waste categories originally devised by the car manufacturer Toyota (see below). A range of business process improvement tools were utilised to elicit from participants any issues with the current systems and to consider possible improvements to these. This also allowed any potential issues relating to implementation of possible solutions to be highlighted and discussed. All participants were encouraged to provide input, and all points raised were captured on flipcharts which were placed on the wall throughout the session for all participants to see.

The Toyota waste categories, along with some examples, are given below:

Inappropriate processing
Managers doing the work of subordinates
Duplication of data entry
Data being passed multiple times between different staff before processing
Manual creation of timetables when systems can do this

Overproduction
Production of multiple versions of forms
Over servicing of internal customers
Working unnecessary overtime

Transporting
Transporting of forms
Unnecessary movement of staff between locations

Defects
Manual input errors
Incorrect reporting of data

Waiting
In process delays while waiting for staff to process information
Information not processed when staff are away on holiday

Unnecessary inventory (not applicable for this review)
Level of stock and work in progress

Unnecessary motions
Ergonomics of work stations
Significant staff movement to access scanners/photocopiers

6. Improvement Points Identified from Facilitated Session (Continued)

Following the facilitated session, the improvement points raised were entered into a spreadsheet. On 6 April 2018, a further facilitated session was held with the Assistant Principal Student Experience and Student Advice Manager to review and prioritise the improvement points. Each point was prioritised based on adherence to one of the following criteria:

a) being a clear high priority improvement point; **or**
b) on the level of savings or cost benefit that could be obtained as well as ease of implementation. This was assessed by scoring improvement points against: i) the cost impact of the issue (1 = little impact on costs/savings, 10 = big impact on costs/savings); and ii) the effort required to remedy or change the issue (1 = difficult to change/fix, 10 = easy to change or fix). These scores were multiplied together to identify those items with the potential for making significant savings and those which were not too difficult to change. The priorities for implementing change were then set using a three-point scale (high priority, medium priority and low priority).

Of the 33 points raised, the scoring from the facilitated session categorised 14 as high priority, five as medium priority, and six as low priority. A further five points were already being progressed (and were not classified as high, medium or low priority) and three other points could only be actioned by other departments. The Assistant Principal Student Experience agreed to raise the points directly with the relevant departments for appropriate action. There are a relatively high number of high priority actions, but the Assistant Principal Student Experience and Student Advice Manager consider that significant work can be progressed on these areas over the summer period and are therefore comfortable with this classification.

The prioritised list of improvement points has been provided to senior management for consideration of how to implement these.

HENDERSON LOGGIE
Chartered Accountants

Glasgow Clyde College

Estates Strategy / Capital Projects / Building Maintenance

Internal Audit Report No: 2018/07

Draft Issued: **04 May 2018**
2nd Draft Issued: **09 May 2018**

Final Issued: **09 May 2018**

LEVEL OF ASSURANCE   **Satisfactory**

Content

Level of Assurance

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

Gradings are defined as follows:

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

Action Grades

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

1. Overall Level of Assurance

Satisfactory	System meets control objectives with some weaknesses present.

2. Risk Assessment

This review focused on the controls in place to mitigate the following risks on the College's Risk Register:

- O4: Failure to achieve a sustainable fit for purpose College estate (risk ranking: medium);
- G1: Failure to meet all legislative and regulatory requirements and / or recommended guidance (risk ranking: low); and
- G2: Failure to comply with Health and Safety requirements (risk ranking: low).

3. Background

As part of the Internal Audit programme at Glasgow Clyde College ('the College') for 2017/18 we carried out a review of the College's Estates Strategy and procedures covering capital projects and planned preventative maintenance. The Audit Needs Assessment, completed in November 2017, identified this as an area where risk can arise and where Internal Audit can assist in providing assurances to the Board of Management and the Principal that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

Estates Strategy
The College's Estates Strategy 2016-2020 sets out the key principles which guide the management of estates and facilities within the College, as well as describing the five areas of specific focus over the period of the strategy, namely: 1. estates lifecycle and maintenance; 2. support for curriculum developments; 3. performance indicators; 4. efficiency and effectiveness of the College estate; and 5. carbon management.

Capital projects
Due to their size, complexity and the potential for cost over-runs and delays, capital projects present significant risks that require to be managed effectively through appropriate governance structures and project management controls. The College has delivered a number of capital projects in recent years, which have been managed using a combination of both College staff and external consultants. The College's Procurement Procedures stipulate that where there are construction works or services (such as design team consultants) that are expected to exceed a cost of £25,000 then this must be put out to competitive tender with at least three bidders invited to submit a quote. The procedures also state that tenders are then evaluated, contracts issued, and procurement documentation retained.

Building Maintenance
The Estates Department is responsible for ensuring that appropriate building maintenance is undertaken. This includes the maintenance of plant within the College buildings. A planned maintenance programme is in place which identifies all the items which require ongoing maintenance, the frequency of required maintenance and details of the contractor or staff member who will undertake the maintenance.

4. Scope, Objectives and Overall Findings

The scope of this audit was 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.

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

Objective		Findings		
The main objective of the audit was to ensure that:		**1**	**2**	**3**
		No. of Agreed Actions		
1. An Estates Strategy is in place which is aligned with the College's Development Plan objectives and other strategies, Regional plans and strategy, and student needs and aspirations	**Good**	0	0	0
2. The capital investment appraisal process, including the information provided to the Board of Management and committees for decision making purposes is robust	**Satisfactory**	0	1	1
3. Risk management and contingency planning arrangements are in place for capital projects	**Good**	0	0	0
4. The selection and management of consultants and contractors, including the tendering process, is conducted in line with the College's procurement procedures	**Requires Improvement**	0	2	0
5. Progress made on projects, and expenditure against budget, is monitored by management and Board committees	**Good**	0	0	0
6. Regular condition surveys are undertaken, and other good quality information is available, to inform asset management decisions	**Good**	0	0	0
7. 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	**Good**	0	0	0
8. 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	**Satisfactory**	0	0	4
		0	**3**	**5**
Overall Level of Assurance	**Satisfactory**	System meets control objectives with some weaknesses present		

HENDERSON LOGGIE
Chartered Accountants

5. Audit Approach

The approach adopted for capital projects and asset management was discussed with the Vice Principal - Resources and College Development, the Assistant Principal - Finance and Infrastructure, and the Head of Estates, Facilities and Energy. We then selected a sample of four capital projects for testing and reviewed relevant documentation pertinent to these projects: including the Estates strategy; master capital plan; project management documents and minutes to determine if these were being delivered in accordance with good practice.

The processes in place for planned preventative maintenance were also reviewed and documented and sample testing undertaken to determine if these were functioning effectively.

6. Summary of Main Findings

Strengths

- The College has an Estates Strategy in place which links across to the Development Plan;
- For the four capital projects we reviewed we confirmed that there were robust project planning, controlling and monitoring processes in place, including risk management and contingency planning;
- There was regular reporting on capital projects to the Finance and General Purposes Committee and Board;
- Recent condition surveys of the College estate had been undertaken; and
- A list of all items requiring planned preventative maintenance had been compiled and contracts put in place to ensure that these items were maintained regularly (in line with an appropriate maintenance standard),

Weaknesses

- The College's Procurement Procedures and Procurement Policy were not always being complied with, with procurement processes not always making use of the Public Contracts Scotland (PCS) web portal, not all procurement documentation being retained in a way that makes it readily accessible, and there was not always evidence of segregation of duties in conducting tender evaluation; and
- Although there were plans in place to undertake planned maintenance it was identified that there was not always formal monitoring undertaken to check that: the planned maintenance had been completed in line with the plan; that all contractor planned maintenance paperwork was completed correctly; and that there was appropriate follow up by Estates staff where issues with contractor performance or completion of paperwork were identified.

7. Acknowledgements

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

8. Findings and Action Plan

Estates Strategy

Objective 1: An Estates Strategy is in place which is aligned with the College's Development Plan objectives and other strategies, Regional plans and strategy, and student needs and aspirations

The College's Estates Strategy 2016-2020 sets out the key principles which guide the management of estates and facilities within the College, as well as describing the five areas of specific focus over the period of the strategy, namely: 1. estates lifecycle and maintenance; 2. support for curriculum developments; 3. performance indicators; 4. efficiency and effectiveness of the College estate; and 5. carbon management.

We considered alignment of the Estates Strategy with other pertinent documents and noted the following:

a) College Development Plan 2016-2020. The only objective in the Development Plan relating to estates is 'investing in a high quality, efficient and sustainable Estates and ICT infrastructure capable of adapting to changing curriculum and business needs.' We reviewed how the Estates Strategy links in to the above Development Plan objective and noted there was appropriate linkage.

b) College strategies. There are limited explicit linkages between the Estates Strategy and other strategies, beyond the role that the Estates Strategy plays in supporting the delivery of the Learning and Teaching Strategy. Delivery of College strategies is monitored using a range of strategy KPIs and we noted some KPIs linked into the Estates Strategy.

c) GCRB Strategic Plan (Glasgow Region Strategic Plan for College Education 2017-2022). The College's Estates Strategy ties into the 'Engage with all our communities and provide the highest quality facilities and resources for learning' learning priority in the GCRB Strategic Plan.

d) Regional capital plans. Most of the estates actions arising from the regional 2015-20 Curriculum and Estates Plan have now been implemented. There is not currently a GCRB regional capital strategy in place. Instead, GCRB determines each year how regional capital funds will be allocated and identifies the specific focus for any capital bids to be made to GCRB. We note that SFC plans to ring fence capital funding at a regional level for 2018/19 based on priorities highlighted from the national college estate condition survey work completed during 2017.

e) Student needs and aspirations. The Head of Estates, Facilities and Energy considered the College's curriculum spaces to be a good fit with the students' curriculum needs. The College also has a range of spaces for students to socialise and relax in.

Capital Projects

Objective 2: The capital investment appraisal process, including the information provided to the Board of Management and committees for decision making purposes is robust

Observation	Risk	Recommendation	Management Response
Capital Investment Appraisal Procedure The College does not currently have a formal procedure for capital project identification and appraisal. Good practice in this area includes undertaking the following steps before approving a capital project: - Define the problem. - Define the objectives. - Consider the options. - Identify, quantify and assign values to the costs, benefits, risks and uncertainties associated with each option. - Analyse the information. - Consider any other factors that cannot be assigned a value. - Consider financing. - Present the results, including a preferred solution. - Approval of the preferred solution. - Move on to a detailed business case setting out how the agreed solution will be delivered. - Approval of the project for the delivery phase.	Capital projects may be undertaken that do not represent the best use of available funds, or the solution proposed may not be the optimal solution.	**R1** Develop formal procedures to be followed for capital project identification and appraisal in line with good practice. These should be applied to all projects over a defined threshold value.	The College does have a process for identifying capital projects which is through condition survey outputs, the annual Planning cycle, and emerging need and the masterplan is fully reported to the Board. There were business cases completed for the lift project, horticulture project and the Litehouse refurbishment projects and the projects were fully discussed at the Board. Also there were Foundation applications completed for these projects. The College can prepare a further document of the processes if required to have it considered formal. **To be actioned by:** Vice Principal - Resources & Corporate Development **No later than:** 31 August 2018

Grade	2

Objective 2: The capital investment appraisal process, including the information provided to the Board of Management and committees for decision making purposes is robust (Continued)

We selected a sample of four recent capital projects for testing:

1. Cardonald lift replacement
2. Horticulture Building
3. LITEhouse refurbishment and
4. 2017 summer campus works (a large number of small changes made to the estate).

We noted that although there were not individual formal business cases provided to the Board or a Board committee to justify each of these projects, the projects were included within the College's Capital Masterplan which was approved by the Board. For the projects selected it was also confirmed that:

1. Cardonald lifts: The College's Arms' length foundation (ALF) paid for these works. The College's application to the ALF provided justification for the works, which were included as an area for improvement in the Estates condition survey commissioned by the College in 2014;

2. Horticulture building: The College's Capital Masterplan included a commitment to build a new permanent landscaping and horticulture teaching accommodation prior to the merger as an integral part of the inherited plans from Langside College. These plans also followed on from the sale of the College's Woodburn campus where the Langside College landscaping and horticulture teaching activity had historically been based. (The sale proceeds from the Woodburn campus were donated to the ALF in March 2014). The College's application for this project, which was considered and approved by the ALF, provides justification for the project to the ALF.

3. LITEhouse refurbishment: This project involved turning a partially vacant space on the lower ground floor of the LITEhouse building into an e-learning facility, as other colleges have developed. There was also a desire by management to refresh the Library environment and to improve the layout of the ground floor of the LITEhouse building. The ALF funded these works, and this provided appropriate justification for the works.

4. 2017 summer campus works: These works did not have a formal business case; however, such works occur routinely each year and are funded through the SFC/GCRB annual capital allocation. All works included are appraised by the College's Executive Management Team (EMT) who agreed on which projects to take forward.

We noted that although there were no formal College business cases in any of the four projects reviewed, we consider that in all cases that there was a clear need established for these works to be completed and that the options for implementation chosen were considered reasonable.

Objective 2: The capital investment appraisal process, including the information provided to the Board of Management and committees for decision making purposes is robust (Continued)

Observation	Risk	Recommendation	Management Response
Annual Summer Works There is an annual process to identify and appraise projects to be funded with the annual GCRB capital allocation. This involves a template being issued to all Heads of Faculty (or support areas) who then discuss capital needs with their staff and make capital bids to the EMT. Following this stage, planning meetings are held to allow EMT to consider the bids and decide which projects should proceed (subject to costing and availability of budget). Approved ICT capital projects are taken forward by the ICT department. For estates related proposals the Head of Estates, Facilities and Energy commissions a design team who will discuss requirements with College staff, draw up detailed instructions and drawings, and provide a costing. The list of projects is then tendered and after tender evaluation a contractor is appointed. These projects are then implemented over the summer recess when students are not in College. We noted that in 2018 the identification and evaluation of estates projects took longer than normal, which will necessitate completion of the design team and contractor tendering process in a shortened time period. We also noted that there are currently no formal documented procedures or a formal timetable for the identification and approval of capital bids, and tendering for a design team and contractor. We consider that there would be benefit in formally documenting this process, including key milestones for each action, so that there is improved clarity for all staff and parties involved.	Capital projects (including tendering processes) may not be efficiently completed if their timeframe for completion is shortened, or requirements are not clear to all parties.	R2 Each year a formal process and timetable for the identification, challenge and approval of capital projects to be undertaken during the Summer recess should be set out. Consideration should be given to including the Head of Estates, Facilities and Energy in the EMT sessions where capital projects are challenged and prioritised.	There is an annual planning cycle in place as described which is documented already. A more formal timetable for the period following the planning cycle will be created for use in future years however the College capital funding has only been known at a late stage in recent years and there is also a process with GCRB to be followed to finalise allocations which impacts on decisions. **To be actioned by:** Vice Principal - Resources & Corporate Development **No later than:** 30 September 2018 Grade 3

Objective 3: Risk management and contingency planning arrangements are in place for capital projects

Sample Testing

For the four capital projects tested we found there were appropriate procedures in place for the planning, control and monitoring of each project. Each of the projects utilised external project managers which assisted in ensuring that a robust project management methodology was deployed in the delivery of the projects.

Project management controls included activities such as:

- Project implementation plans setting out key project management controls, and reporting and escalation processes;
- Detailed construction work programmes;
- Construction pre-start meetings to share information between the College, design team and contractor;
- Regular progress meetings between the College, design team and contractor;
- A range of reports for review, including design reports, progress reports, project manager reports, cost reports and close out reports;
- Quality checks;
- Formal change instructions and requests for information processes;
- Risk registers, including consideration of contingency planning; and
- A handover process, including provision of required documentation, a defects list and a process to clear snagging items.

Objective 4: The selection and management of consultants and contractors, including the tendering process, is conducted in line with the College's procurement procedures

Procurement Requirements

The College's Procurement Procedures stipulate that for capital works and design team services expected to cost in excess of £25,000 then a competitive tender process inviting at least 3 bidders was required, which should be conducted via the Public Contracts Scotland (PCS) web portal. A specification of works was required to be provided to tenderers, with tender submissions scored against set evaluation criteria. All procurement documentation was required to be retained by the department initiating the contract. The College uses the services of APUC and has a procurement manager on site who advises the College. PCS is used for the majority of tenders with the exceptions being when the documents are difficult to issue on PCS or are too large. In those instances, the College will use a tender opening form to ensure compliance. It is always clear who undertakes the process from the College perspective and this is checked by the APUC procurement manager.

Objective 4: The selection and management of consultants and contractors, including the tendering process, is conducted in line with the College's procurement procedures (Continued)

Observation	Risk	Recommendation	Management Response
Selection of Consultants and Contractors We considered the main risks relating to the selection of consultants and contractors and noted the following risks: a) Risk - There could be a risk that those invited to tender do not have appropriate experience or have a poor track record. Mitigating control - the College seeks tenders from those organisations they know have the required experience and an appropriate track record of delivery; b) Risk – There may a risk that an insufficient number of tenderers is invited so that if some tenderers drop out there are fewer tenders for comparison and value for money may not be achieved. Mitigating control - the College aims to invite more tenderers than required so if some decline to tender or drop out of the tender process hopefully there will still be three bidders. Furthermore, if there were a large number of potential bidders that decline to tender or drop out, the College can also invite more bidders.	Tenders submitted may be fraudulently amended or contain accidental errors leading to the College not receiving value for money.	**R3** Implement a procedure to ensure that where tenders (or certain aspects of tenders) are evaluated internally that two people review the quality evaluation, pricing evaluation and overall schedule used to calculate the overall price and the technical evaluation. The evidence of this review being completed (such as an email trail, or completion of a form) should then be retained. Where there is external evaluation the prices should be checked to PCS for accuracy.	Evaluation is always carried out by two independent parties. The College then have a consensus meeting to finalise the score. It is always clear who undertakes the process from the College and this is checked by the APUC procurement manager. The APUC procurement manager undertakes the commercial check however in most cases this is done by the Quantity Surveyor of the consultants working on behalf of the College. The College will request that APUC send a summary at the end of the evaluation in future. **To be actioned by:** Head of Estates, Facilities & Energy (in conjunction with APUC). **No later than:** 31 May 2018

Grade	2

Objective 4: The selection and management of consultants and contractors, including the tendering process, is conducted in line with the College's procurement procedures (Continued)

Observation	Risk	Recommendation	Management Response
Selection of Consultants and Contractors (Continued) c) Risk - There is a possible risk that tender prices could be fraudulently amended, either by College staff or by consultants (if opened externally). Mitigating control - We note that use of the Public Contracts Scotland (PCS) portal provides a robust mitigating control over this risk but noted PCS is not always used for tender submissions. d) Risk - There may be a risk that the evaluation of submitted tenders is not fair. Mitigating control - there should be evidence of two people signing off the quality evaluation, a schedule of the price evaluation, and a schedule collating the quality and price evaluation which should be signed off by the preparer and by someone who has checked this. We noted that sometimes there was an external quality or price evaluation with a tender report provided. However, sometimes this was part of the process was undertaken internally and we established from our sample review of four capital projects that there was not always evidence of a) who had completed the consultant or contractor evaluation, or b) evidence of someone checking that the evaluation was reasonable or arithmetically correct. Where evaluations were completed by College staff in most cases only one person was involved. This is in contravention of the College's Procurement Policy which highlights segregation of duties as a key requirement.	See above	See above	See above

Objective 4: The selection and management of consultants and contractors, including the tendering process, is conducted in line with the College's procurement procedures (Continued)

Observation	Risk	Recommendation	Management Response
Sample Testing of Consultant and Contractor selection For the sample of four capital projects reviewed we noted: a) Cardonald lifts. There were appropriate tendering processes undertaken for the selection of consultants and contractor, although a signed version of the tender report produced for the selection of consultants could not be located by College staff. We also noted that of the three contractors that submitted a tender, one was not compliant with all tender requirements (given that the works would take twice as long to complete as the College had requested in the tender documentation), but it was £111,000 cheaper than the next cheapest tender. b) Horticulture Building. There was a lack of documentation to support the appointment of the firm of architects that were used at the initial planning stage. However, we were advised by the Head of Estates, Facilities and Energy that the amounts involved were not significant. It was noted that the specification for the services of a clerk of works had been issued to three parties and although only one quote was received the price submitted was considered reasonable by College staff. We noted that some other documentation relating to the selection of consultants was not retained on the Estates department files.	Without appropriate retention of procurement documentation there is a risk that compliance with Procurement Procedures cannot be demonstrated and the potential that the College has not received value for money from the tender process.	**R4** Ensure that key procurement and contractual documentation is retained by the Estates Department. The development and completion of checklists setting out the key documents to be retained may assist in meeting this requirement.	Point a) – The lower price tender received was not compliant as it did not meet the technical requirements within the required timelines which were specific in the tender. Point b) – There was a small appointment made for architectural services to revisit drawings as a follow up to previous services used in Langside. This was done within relevant thresholds. Point b) cont. to d) – All of this documentation was properly completed at the time. There have been two changes in the APUC procurement manager role since the projects in the sample and some of the documents were not able to be located at the time of the audit. As per the response to R3 above the College will request that APUC send a summary at the end of the evaluation in future. **To be actioned by:** Head of Estates, Facilities & Energy (in conjunction with APUC). **No later than:** 31 May 2018

Grade	2

Objective 4: The selection and management of consultants and contractors, including the tendering process, is conducted in line with the College's procurement procedures (Continued)

Observation	Risk	Recommendation	Management Response
Sample Testing of Consultant and Contractor selection (Continued) b) Horticulture Building. (continued) - Some documentation to support the evaluation of consultants could not be located at the time of audit fieldwork and it was necessary to request this information from APUC. It was noted that there had been a change in procurement staff in the College and this was one of the reasons for this issue. At the time of finalising this report some information had been received and some remained outstanding. This is covered by R4 above. c) LITEhouse refurbishment – Again some documentation to support the selection of consultants could not be located at the time of our audit and this was requested from APUC. At the time of finalising this report this information was still outstanding. This is covered by R4 above. d) 2017 summer campus works. Our testing confirmed that while there was appropriate tender documentation in place we could not identify how the quality scoring was taken into account in the overall tender evaluation. At the time of finalising this report this information was still outstanding. This is covered by R4 above.	See above	See above	See above

Objective 5: Progress made on projects, and expenditure against budget, is monitored by management and Board committees

We noted for the four projects reviewed that there were suitably regular progress reviews undertaken throughout the project lifespan, and that progress was reviewed by College staff, the external project manager / design team and the contractor. All the projects reviewed used fixed price contracts with change controls in place if any changes were required to be made.

Each project has a separate financial code and budget monitoring reports were produced by the Assistant Principal - Finance and Infrastructure. These were used as the basis for quarterly reporting on the Capital Masterplan to the Finance and General Purposes Committee and to the Board. This reporting and oversight is considered reasonable.

Building Maintenance (Planned Preventative Maintenance)

Objective 6: Regular condition surveys are undertaken, and other good quality information is available, to inform asset management decisions

We noted that in 2014 the College had commissioned a condition survey for all campuses. The SFC separately commissioned a national condition survey of all College buildings in 2017. The Head of Estates, Facilities and Energy advised that since the College's campuses had been reviewed in 2014 a decision was made by the SFC consultants commissioned to undertake the 2017 review to place reliance on the College's detailed 2014 property condition survey.

The College also maintains spreadsheets containing lists of all equipment that require to be maintained, and this records details on the condition of the items, which is updated by contractors undertaking planned preventative and reactive maintenance based on anything specific noted during asset maintenance visits or to record material changes made to the asset, such as a refurbishment.

Objective 7: 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
Objective 8: 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

The College has a comprehensive list of assets requiring planned preventative maintenance on each campus, which includes the required frequency of the maintenance. This list is provided to all external contractors who are contracted to undertake the required planned preventative maintenance. All assets on these lists are required to be maintained in line with the SFG20 maintenance standard or the manufacturer's maintenance instructions, and this requirement is set out in contracts with the external maintenance providers.

The College also maintains a comprehensive list of statutory testing requirements for each campus. This sets out who is responsible for undertaking the testing (the specific contractor or College staff responsible) and when this will be completed. This list also includes the requirement for campus Building Co-ordinators to undertake a review of the work done to ensure that it has all been completed to the required standard and on a timely basis.

Observation	Risk	Recommendation	Management Response
Processes We reviewed the list of assets on each campus and the list of statutory testing and confirmed that these lists were up to date and appeared comprehensive. We identified the documentation which was retained by the College when an external contractor finished their visit to undertake planned preventative maintenance or statutory checks at the College. From our documentation review we noted the following issues: **a) Procedures** There were no formal procedures relating to planned preventative maintenance and statutory testing.	Without detailed procedures there is a risk that insufficient checks are done on external contractors and internal staff undertaking planned preventative maintenance to ensure it is completed to the required quality and in line with the agreed upon frequency.	**R5** Draw up procedures for planned preventative maintenance and statutory checks that include: • The contractor start-up phase (for new contractors); • The contractor management phase (for ensuring performance is appropriate and all contractual requirements are met); and • Processes to ensure that all required maintenance works have been done by contractors and that paperwork supporting this has been internally reviewed and retained.	The process for contractor start up and contractor management are already sufficiently documented. A checklist is in place for planned preventative maintenance and this will be updated to include an extra column to indicate work completed. **To be actioned by:** Facilities Manager **No later than:** 30 June 2018

			Grade	3

Objective 7: 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
Objective 8: 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 (Continued)

Observation	Risk	Recommendation	Management Response
Processes (Continued) **b) Ensuring required checks have been completed** As part of the audit we queried whether there was a record of all planned preventative maintenance checks and statutory tests being done in line with the annual schedule of maintenance checks. We noted that although this was completed for one campus, that this had not been updated for the other two campuses. We also noted one planned preventative maintenance job where the contractor had incorrectly completed the job sheet, but this had not been picked up by the Estates staff member who had signed the job sheet.	Planned preventative maintenance may not be completed to the required quality and in line with the agreed maintenance frequency.	**R6** Ensure that the Building Co-ordinators at each campus mark off the record of all planned preventative maintenance checks and statutory tests to ensure that these have been completed. The Facilities Manager should periodically review to ensure that this is being done.	Linked to R5 above. The Building Coordinators will complete the column on the checklist at each campus. **To be actioned by:** Building Coordinators **No later than:** 30 June 2018 **Grade** �3
		R7 Estates staff should record the reasons for any works not completed on the planned preventative maintenance contractor documentation that is filed.	This is normally done and was only found to be missed off in one instance. The Building Coordinators have been reminded to ensure that this is done. **To be actioned by:** Building Coordinators **No later than:** 31 May 2018 **Grade** 3

Objective 7: 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

Objective 8: 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 (Continued)

Observation	Risk	Recommendation	Management Response
Processes (Continued) See above	See above	**R8** The Facilities Manager should undertake periodic sample checks to confirm that appropriate maintenance visit documentation is on file and that there is evidence of the required maintenance being completed in line with contractual requirements. Evidence of completing these checks should be kept on file.	Periodic sample checks of the documentation will be completed. **To be actioned by:** Facilities Manager **No later than:** 31 May 2018 Grade 3

AUDIT COMMITTEE MEETING

Date of Meeting	23 May 2018
Paper Title	Internal Audit Plan 2017/18 Progress Report & 2018/19 Plan
Agenda Item	18.21
Paper Number	18.21A
Responsible Officer	Henderson Loggie, Internal Auditors
Status	Disclosable
Action	For Discussion

1. REPORT PURPOSE

The purpose of this report is to provide a summary of the progress against the Internal Audit Plan for 2017/18 from Henderson Loggie as at 9th May 2018 and to provide a summary of the 2018/19 plan as previously approved at Audit Committee.

2. RECOMMENDATION

Committee Members are invited to review and discuss this paper.

3. BACKGROUND

The attached report from Henderson Loggie indicates to the Audit Committee progress against the Internal Audit Plan for the year and provides a summary of the work completed indicating the overall conclusion against each report and period to complete the report. It also provides a summary of the overall work planned for 2018/19.

4 RISK ANALYSIS

There are no specific risk implications in this paper.

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

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

6. HAS AN EQUALITY IMPACT ASSESSMENT BEEN CARRIED OUT

N/A

Glasgow Clyde College

**Internal Audit Progress Report
2017/18 Annual Plan and
Proposed allocation of audit days for 2018/19**

23 May 2018

Progress with the annual plan for 2017/18 is shown below.

Audit Area	Planned reporting date	Report status	Report Number	Overall Conclusion	Audit Committee	Comments
Audit Needs Assessment and Strategic Plan 2017 to 2020	November 2017	Draft 02/11/17 Final 07/02/18	2018/01	N/A	22/11/17	
Annual Plan 2017/18	November 2017	Draft 02/11/17 Final 07/02/18	2018/02	N/A	22/11/17	
Curriculum	May 2018	Draft 26/04/18 Final 09/05/18	2018/04	**Good**	23/05/18	
Student Support (Business Process Review)	May 2018	Draft 16/04/18 Final 09/05/18	2018/05	N/A	23/05/18	The review identified several areas for investigation or improvement through facilitated focus group sessions and interviews with staff. Actions were prioritised for the College to take forward. All of the identified actions were improvement actions designed to enhance efficiency and effectiveness. No issues subjecting the College to material or significant risk were identified during the review.
Estates Strategy / Capital Projects / Building Maintenance	May 2018	Draft 04/05/18 2nd Draft 09/05/18 Final 09/05/18	2018/07	**Satisfactory**	23/05/18	

Audit Area	Planned reporting date	Report status	Report Number	Overall Conclusion	Audit Committee	Comments
Procurement and Creditors / Purchasing	September 2018					
Business Development	September 2018					
Date Protection Part 1	February 2018	Draft 09/02/18 Final 16/02/18	2018/03	Satisfactory	21/02/18	
Date Protection Part 2	May 2018	Draft Final	2018/06		23/05/18	Fieldwork commenced 02/05/18 – information requested to enable completion of review. Report to follow.
Follow-Up Reviews	September 2018					

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

Audit Area	Planned reporting date	Report status	Report Number	Overall Conclusion	Audit Committee	Comments
Credits audit	September 2018 – Audit Committee November 2018					
Bursary, childcare and hardship funds	September 2018 – Audit Committee November 2018					
EMA audit	September 2018 – Audit Committee November 2018					

Appendix I – Strategic Plan 2017 to 2020

We were re-appointed in September 2017 as internal auditors of the College for the period 1 August 2017 to 31 July 2020 with an option to extend for a further year. An Audit Needs Assessment (ANA), based on the areas of risk that the College is exposed to, was prepared as part of our internal audit programme for 2017/18 (internal audit report 2018/01, issued November 2017). Following on from the ANA a Strategic Plan was formulated, covering the normal three-year internal audit cycle (2017/18 to 2019/20), and this was approved by the Audit Committee, together with the ANA, at its meeting on 22 November 2017. The proposed allocation of audit days for 2018/19 set out in the Strategic Plan is noted below.

Proposed Allocation of Audit Days for 2018/19

	Category	Priority	Planned 18/19 Days
Reputation			
Publicity and Communications	Gov	M	
Health and Safety	Gov	M	5
Student Experience			
Curriculum	Perf	H/M	
Quality	Perf	M	
Student support (Business Process Review)	Perf	M	
Student recruitment and retention	Fin/Perf	H	5
Student Association	Gov	M	
Staffing Issues			
Staff recruitment and retention)	Perf	M/L	
Staff development)	Perf	H/M	
Payroll	Fin	M	
Estates and Facilities			
Building maintenance)	Fin/Perf	M	
Estates strategy / capital projects)	Fin/Perf	H/M	
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	
Debtors/ Income	Fin	M	
Cash & Bank / Treasury Management	Fin	M	
Commercial Issues			
Business Development	Fin/Perf	H/M	
International Activities	Gov/Fin/Perf	H/M	

Proposed Allocation of Audit Days for 2018/19 (Continued)

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

Key

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

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

AUDIT COMMITTEE MEETING

Date of Meeting	23 May 2018
Paper Title	Update on General Data Protection Regulation (GDPR)
Agenda Item	18.23
Paper Number	18.23
Responsible Officer	Janet Thomson, Vice-Principal: Resources and College Development
Status	Disclosable
Action	For Discussion

1 REPORT PURPOSE

1.1 This paper provides a brief update on preparing the College for GDPR which comes into force on 25 May 2018.

2 RECOMMENDATION

2.1 Members of the Audit Committee are invited to note the College's plans for preparing for this new legislation.

3 BACKGROUND AND COMMENTARY

3.1 The College has a workplan which is being implemented to meet the requirements of GDPR

3.2 There is a College group who have been meeting regularly since December to identify and progress the actions required to prepare for the implementation of GDPR. The College already complied with the Data Protection Act with the required guidelines in place hence these required to be updated for GDPR and this is being worked through.

3.3 Henderson Loggie undertook an internal audit on data protection and the first element of this was for them to undertake a review of the College's GDPR work plan. Their part 1 Data Protection audit report was submitted to the Audit Committee in February and concluded satisfactory assurance from that review of the College plan with a few recommended additions.

3.4 Significant work is ongoing within the College to meet the updating requirement of GDPR with significant resource being diverted towards it.

3.5 Training has now been made available to all staff on an on line resource. Updated documentation is being progressed through the College group and through work teams.

3.6   As well as making preparations through the College working group, the College has engaged external assistance in the data mapping and gap analysis stages of its GDPR preparation. A mini competition was completed and four tenders were returned. These were assessed and the successful provider was Scott Moncrieff who have now completed their data mapping sessions and data inventory exercise for the College charting and this is now documented including the legal basis for any personal data flows and the third parties involved.

3.6   The College has reviewed its data retention schedule and has drafted a data privacy policy for staff and is drafting one for students. Secure on site shredding has been made available on a regular basis for staff to identify old records for disposal. Also a list of all systems with potential personal data is being worked through to delete electronic records and a guide to staff do's and don'ts is being issued relating to all forms of information e.g. paper files, and ad hoc downloads.

3.7   The new role of the independent Data Protection Officer is required from 25th May who has to report to the highest level in the organisation and who needs to be protected from a conflict of interest. The College are using the APUC shared service for this which will be in place from 21st May. This will be one person employed by APUC to provide this service to the Glasgow Region with Data Protection specialist knowledge who will provide 2 days per week to Glasgow Clyde College.

3.8   In addition, the College is working with the other two Colleges in Glasgow and GCRB to meet and discuss progress for each College, to share potential documents and good practice.

3.9   There is a substantial level of resource having to be found within existing resources to address these preparation stages and in addition the College has employed the resources of the GDPR team in Scott Moncrieff and is seeking legal advice on data sharing agreements which are being received by the College for signing.

3.10   There was a part 1 Data Protection Audit reported to the Committee in February and the part 2 audit will be reported to this Committee under item 18.20 of the agenda.

4   RESOURCES

There are significant resources implications in meeting the workplan for the College and in enabling behavioural change in relation to record keeping. There are direct resource implications in accessing the services described above.

5   RISK ANALYSIS

5.1   This is a legal requirement and there are significant financial risks of non-compliance with GDPR.

6   LEGAL IMPLICATIONS

6.1   This is a legal requirement through the new regulations.

7   FINANCIAL IMPLICATIONS

7.1   There are significant financial risks of non- compliance with GDPR i.e. up to 4% of turnover however that is the maximum fine and it is important that the College shows it has put steps in place to mitigate the risks from GDPR which is what is contained in the workplan and the ongoing activity.

8   REGIONAL OUTCOME AGREEMENT IMPLICATIONS

8.1   There are no specific Regional Outcome Agreement implications. All three of the Glasgow Colleges and the GCRB are required to comply with GDPR so there is likely to be a need to set up data sharing agreements between the College and GCRB.

9   HAS AN EQUALITY IMPACT ASSESSMENT BEEN CARRIED OUT?

9.1   N/A

AUDIT COMMITTEE MEETING

Date of Meeting	23 May 2018
Paper Title	2016/17 SFC Institutional Efficiency Return
Agenda Item	18.24
Paper Number	18.24A
Responsible Officer	Tracy Elliott, Assistant Principal – Finance & Infrastructure
Status	Non-Disclosable
Action	For Discussion

1 **REPORT PURPOSE**

The purpose of this report is to outline the approach taken by the College when preparing the 2016-17 SFC Institutional Efficiency Return.

2. **RECOMMENDATION**

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

3. **BACKGROUND**

3.1 Scottish Ministers expect every public body to deliver efficiency savings of at least 3% in each year of the spending review and to report publicly on the actions taken and the results achieved. This efficiency programme allows public bodies to demonstrate where appropriate, how and to what extent they have used efficiencies to protect quality and level of services and maintained outputs and outcomes in the face of budget cuts. The Scottish Funding Council is required by the Scottish Government to publish an annual statement of efficiencies.

3.2 SFC issued a circular requesting Colleges to report on efficiency savings achieved in academic year 2016/17 and this circular is attached as appendix 1 to this report. Members should note that the College, and its legacy colleges, were required to submit such returns for previous years up to and including academic year 2013/14.

3.3 SFC recommend that Colleges use appropriate internal management and governance arrangements to ensure the robustness of the efficiency information by including a review of the underlying processes within the scope of the Audit Committee's remit.

3.4 A summary of the reported 2016/17 efficiencies are outlined in the table below and a copy of the related SFC return is attached as appendix 2 to this report.

2016/17 SFC Institutional Efficiency Return	£'000
Increase in SFC ESF Funding from 2015/16 baseline (excludes SFC match funding)	297
Increase in EU Funding from 2015/16 baseline	45
Increase in ALF Funding from 2015/16 baseline (Capital & Revenue)	1,661
Staffing Efficiencies from 2015/16 baseline (Per Curriculum & Estates Review Voluntary Severance)	631
2016/17 Procurement Efficiencies - Local Tenders / Mini Competitions	250
Non staff cost efficiencies (to offset inflation)	296
Total Efficiencies reported in SFC return	**3,180**
APUC Benefit Statements reported directly to SFC	357
Total Efficiencies including APUC Benefit Statement	**3,537**

Overall the College reported efficiency savings totalling £3,180k. In addition, the 2016/17 APUC Benefit Statement outlines a further £357k of procurement savings which APUC reported directly to SFC. The total of £3,537k equates to circa 8% of the 2015/16 baseline spend. The 2015/16 baseline spend is calculated as follows:

2015/16 Baseline Expenditure	£'000
2015/16 Expenditure per Financial Statements	47,994
Less 15/16 Non-recurring Restructuring costs	-616
Less FRS102 Staff Costs Pension Adjustments (Non-cash)	-715
Less FRS102 Interest Pension Adjustments (Non-cash)	-264
Less Depreciation (Non-cash)	-4,157
2015/16 Expenditure excl non-recurring/non-cash costs	**42,242**

The 2016/17 efficiencies reported are significantly above the 3% government target largely due to additional funding that was levered in from the Glasgow Clyde Education Foundation. The College's approach to the SFC return was discussed in some detail with the relevant SFC lead who confirmed this as being acceptable for SFC purposes and in line with the related SFC guidance.

4.   RISK ANALYSIS

There are no specific risk implications in this paper.

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

There are no specific legal, financial or Regional Outcome Agreement implications within this paper.

6.   HAS AN EQUALITY IMPACT ASSESSMENT BEEN CARRIED OUT

N/A

SFC Call for information

Institutional Efficiency

Issue date: 23 January 2018

Reference: SFC/CI/01/2018

Summary: A request for each institution to provide details of their contribution to the Scottish Government's efficiency objectives, in particular efficiencies for the academic year 2016-17.

FAO: Principals, Finance Directors and Board/Governing Body Secretaries of Scotland's colleges (including Regional Strategic Bodies) and universities

Further
information: **Contact:** Claire Taylor
Job title: Senior Financial Analyst
Department: Finance
Tel: 0131 313 6604
Email: ctaylor@sfc.ac.uk

Scottish Funding Council
Promoting further and higher education

Institutional Efficiency

Purpose

1. This call for information requests each institution to provide details of their contribution to the Scottish Government's efficiency objectives, in particular efficiencies for academic year 2016-17.

Background

2. Scottish Ministers expect every public body to deliver efficiency savings of at least 3% in each year of the spending review and to report publicly on the actions taken and the results achieved.

3. This efficiency programme allows public bodies to demonstrate where appropriate, how and to what extent they have used efficiencies to protect quality and level of services and maintained outputs and outcomes in the face of budget cuts.

4. The Scottish Funding Council is required by the Scottish Government to publish an annual statement of efficiencies.

2016-17 Efficiencies

5. Guidance is included for your information at Annex A.

6. In calculating the 2016-17 efficiencies, institutions should use the previous year as a baseline, therefore showing year on year efficiencies, not a cumulative figure.

Regional Strategic Bodies (RSBs) and assigned colleges

7. For all assigned colleges, your RSB should be in touch to arrange a date to return Annex B to them in order for the RSB to send a consolidated (or batch of individual returns) to SFC to meet the deadline of 27 April 2018.

Audit requirements

8. There is a possibility that Audit Scotland will want to review this information, so it is important that the evidence being held at each institution is detailed and robust enough for audit purposes.

9. We recommend that you use appropriate internal management and governance arrangements to ensure the robustness of the efficiency information by including a review of the underlying processes within the scope of your Audit Committee's remit.

Next steps

10. Please email a completed Excel version of Annex B showing 2016-17 actuals by Friday 27 April 2018 to isg-returns@sfc.ac.uk .

Further information

11. Please contact Claire Taylor, Senior Financial Analyst, Institutional Sustainability and Governance for further information, tel: 0131 313 6604, email: ctaylor@sfc.ac.uk.

Lorna MacDonald
Director of Finance

Cash-releasing and time-releasing

12. For the purposes of this efficiency savings target period 2016-17, there is a requirement for the efficiencies to be represented by cash-releasing efficiencies. Time-releasing efficiencies will not count towards the target, but should also be reported.

13. To be clear, we don't expect your efficiencies to necessarily have an impact on your level of surplus / deficit for the year as they can be savings that have been recycled within the institution (see para 3 below).

14. The definitions of cash-releasing, time-releasing, and notional cash savings provided previously in Scottish Government guidance are as follows:

   - Cash-releasing efficiencies are achieved by delivering an actual resource efficiency because the organisation or function delivers the same service at a reduced cost which might be demonstrated by delivering the same outcome(s) or output(s) for a reduced input (e.g. costs, people, procurement, assets etc) or delivering a reduced unit cost allowing an increased volume of service for the same cost. Cash efficiencies release financial resources to be used for other or increased public services.

   - Time-releasing efficiencies are defined as efficiency measures which do not release cash but allow frontline services to deliver better services with the same money (for example, through workforce reform or better support).

   - Notional cash savings: where an organisation can clearly demonstrate it has made an efficiency that releases staff resource to allow it to deliver necessary additional services, e.g. in support of Ministerial priorities, within existing budget, this avoids the need for additional funding. It is essentially no different from a cash-releasing efficiency and as such, it is likely to be eligible to contribute towards the efficiency target

Associated development costs

15. It should only be in very exceptional circumstances that it is necessary to offset development costs against the value of improvements, as the underlying development will normally have been planned to meet one or more business objectives, and not solely to generate a contribution to the efficiency savings target.

Income generation

16. Where finance has been levered in from an organisation outwith the public sector and this has freed resources which could be redeployed, then that funding can be counted as an efficiency, provided the level of service delivery is maintained or improved. This does not apply to funding levered in from other Scottish public sector organisations since such arrangements would have no net effect on the public sector.

17. An activity category (I) is included in the pro-forma (Annex B) for returns, to allow this information to be collected.

Staff restructuring

18. If your institution has completed a recent programme of staff restructuring during the period, including restructuring as a result of merger, any efficiency gains arising from the restructuring can be included in the return.

APUC procurement savings on collaborative contracts

19. SFC collects these savings from APUC direct and a total for each sector will be included in the final calculation.

Methodology and pro-forma (Annex B)

20. It has been agreed that the sectors should take an approach similar to the previous efficient government initiative, where the colleges and universities identify activities that can contribute to the Government's efficiency savings target programme. The pro-forma, attached as Annex B, is similar to that included in previous sector communications.

21. The form will allow you to enter the activities contributing towards your efficiencies for the period 2016-17 split into new recurrent and one-off efficiencies planned for that year.

22. It is important to recognise one-off efficiency gains as they demonstrate efficiency activity in an institution.

23. For example, the sale of a surplus asset, e.g. a building or land plot. The bulk of the efficiency will be the one-off cash gain from the sale. However there may also be some recurring efficiencies from the sale of an asset if ongoing maintenance costs are reduced or eliminated.

24. As with the previous return, we are collecting information on a wide range of activities, including the following (the workstream code is shown in brackets):

- Business process improvements (BPI).

- Collaborative activities (C).

- Shared services (S) (for example, efficiencies brought about by services provided centrally by the Joint Information Systems Committee (JISC) or the Higher Education Authority (HEA)).

- Procurement (P) (independent of and in addition to the gains secured by Advanced Procurement in Universities and Colleges (APUC)). Where you are reporting on savings achieved through local contracts (contracts not managed by APUC) please report on the savings using the Scottish Cross-sector Benefits Reporting Methodology[1].

- Estates (E) (for example, proceeds from sale of a surplus asset; reduction or elimination of ongoing maintenance costs; energy saving projects; space planning; and rationalisation of estates).

- Income (I).

- Other (O) – any other areas of improvements you are aware of that don't fit under the other headings, including one-off gains.

25. Please note that the pro-forma asks for figures to be entered in '£000'.

26. If you are not sure if an activity counts towards the target please still include it on the form and identify the uncertainty on the form beside the activity and highlight this in the email you send covering the returned form. SFC will consider and, if necessary, discuss with the Scottish Government.

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[1] Available on the APUC Buyer's Portal

Name of institution: Glasgow Clyde College

Institutional Efficiency - Collection of information about savings for 2016-17

Workstream codes: BPI - business process improvements; C - collaboration; S - shared service; E - estates; I - income; P - procurement (non-APUC); and O - other.

Workstream code	Name and description of project/activity and how benefits have been delivered (each project/activity should be a separate entry)		2016-17 savings £000	Brief desciption of calculations/comments
		Cash		
		New (in each year) recurring efficiencies	0.0	
		One-off efficiencies	297.0	
		Total cash gains	**297.0**	
		Time		
		New (in each year) recurring efficiencies	0.0	The College received £2,192k of SFC ESF Funding for 2016/17 (2015/16 £1,747k) , an increase of £445k. Of this increase SFC have
I	Increase in SFC ESF Funding from 2015/16 baseline (excluding SFC match funding)	One-off efficiencies	0.0	confirmed that £297k (2/3's) relates to income from outwith the
		Total time gains	**0.0**	Scottish Public Sector.
		Cash		
		New (in each year) recurring efficiencies	0.0	
		One-off efficiencies	45.0	
		Total cash gains	**45.0**	
		Time		
		New (in each year) recurring efficiencies	0.0	
	Increase in other European Funding from 2015/16 baseline	One-off efficiencies	0.0	Income Note 3 in the College's 2016/17 Financial Statements shows
I		**Total time gains**	**0.0**	Other European Funds of £114k (2015/16 £69k), an increase of £45k.

Name of institution: Glasgow Clyde College

Institutional Efficiency - Collection of information about savings for 2016-17

Workstream codes: BPI - business process improvements; C - collaboration; S - shared service; E - estates; I - income; P - procurement (non-APUC); and O - other.

Workstream code	Name and description of project/activity and how benefits have been delivered (each project/activity should be a separate entry)		2016-17 savings £000	Brief desciption of calculations/comments
		Cash		
		New (in each year) recurring efficiencies	0.0	
		One-off efficiencies	1661.0	
		Total cash gains	**1661.0**	
		Time		
		New (in each year) recurring efficiencies	0.0	Income Note 4 in the College's 2016/17 Financial Statements shows
	Increase in income from Arms Length Foundation	One-off efficiencies	0.0	Income from the Glasgow Clyde Education Foundation of £2,573k
I		**Total time gains**	**0.0**	(2015/16 £912k), an increase of £1,661k.
		Cash		
		New (in each year) recurring efficiencies	631.0	
		One-off efficiencies	0.0	
		Total cash gains	**631.0**	
	The College implemented a Voluntary Severance scheme as a result of the Glasgow Region Curriculum & Estates Review during 2015/16 which resulted in staff leaving between Jul16 and Mar17.	**Time**		The total reduction was 12.59 FTE and the resultant savings for 2016/17 were £631k as some staff left during 2016/17. This amount
		New (in each year) recurring efficiencies	0.0	will increase to £838k for 2017/18. This was previously reported to
		One-off efficiencies	0.0	SFC as part of the conditions of funding for the Glasgow Region
O		**Total time gains**	**0.0**	Curriculum & Estates Review.

Name of institution: Glasgow Clyde College

Institutional Efficiency - Collection of information about savings for 2016-17

Workstream codes: BPI - business process improvements; C - collaboration; S - shared service; E - estates; I - income; P - procurement (non-APUC); and O - other.

Workstream code	Name and description of project/activity and how benefits have been delivered (each project/activity should be a separate entry)		2016-17 savings £000	Brief desciption of calculations/comments
P	Procurement savings generated from local tenders and mini-competition exercises	**Cash**		In 2016/17 the College achieved procurement savings of £250k from local tenders and mini-competition exercises. For the purposes of this return these are shown as 'One-Off' savings as they will recur but only for the terms of the related contracts. These savings are in addition to the APUC Benefit Statement savings of £357k as reported directly to SFC by APUC.
		New (in each year) recurring efficiencies	0.0	
		One-off efficiencies	250.0	
		Total cash gains	**250.0**	
		Time		
		New (in each year) recurring efficiencies	0.0	
		One-off efficiencies	0.0	
		Total time gains	**0.0**	
O	Non- staff costs savings	**Cash**		The College's 2016/17 Financial Statements indicate that activity and related income levels remained stable between 2015/16 and 2016/17 when SFC Voluntary Severance funding and Arms Length Foundation Capital Funding are excluded. In addition Expenditure Note 8 indicates that Other Operating Expenses (excl Agency Staff costs) also remained stable between 2015/16 and 2016/17 remaining at flat cash. This therefore indicates that the College has achieved non-staff cost savings to offset inflation. The value of the saving has been calculated by multiplying 2015/16 non-staff operating costs of £11,374k by the Jul17 inflation rate of 2.6% as outlined on the ONS website at https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/latest
		New (in each year) recurring efficiencies	296.0	
		One-off efficiencies	0.0	
		Total cash gains	**296.0**	
		Time		
		New (in each year) recurring efficiencies	0.0	
		One-off efficiencies	0.0	
		Total time gains	**0.0**	
		Total new annual cash efficiencies	**927.0**	
		Total one-off cash efficiencies	**2253.0**	
		Total new annual time-releasing efficiencies	**0.0**	
		Total one-off time efficiencies	**0.0**	

Name of institution: Glasgow Clyde College

Institutional Efficiency - Collection of information about savings for 2016-17

Workstream codes: BPI - business process improvements; C - collaboration; S - shared service; E - estates; I - income; P - procurement (non-APUC); and O - other.

Workstream code	Name and description of project/activity and how benefits have been delivered (each project/activity should be a separate entry)		2016-17 savings £000	Brief desciption of calculations/comments

AUDIT COMMITTEE

Date of Meeting	23 May 2018
Paper Title	College Strategic Risk Register
Agenda Item	18.25
Paper Number	18.25A
Responsible Officer	Janet Thomson, Vice Principal Resources and College Development
Status	Disclosable
Action	For Discussion

1   **REPORT PURPOSE**

The Report considers the College's Strategic Risk Register which is updated regularly and reported to each Audit Committee and to the Board of Management on a quarterly basis.

2.   RECOMMENDATION

Members are invited to DISCUSS this paper.

3.   BACKGROUND

The College Strategic Risk Register is a key part of the College's risk management framework which is updated regularly and considered at least quarterly by College Senior Management.

4.   RISK ANALYSIS

4.1   The College Strategic Risk Register is a key part of the College's risk management framework and a copy of the Strategic Risk Register as at 9th May is attached. There are a few changes to the narrative since last reported to the Board of Management in March which are fairly minor and are highlighted in red.

4.2   There are 12 risks on the College Strategic Risk Register and of these 3 risks are scoring as high after mitigating actions and the main reasons for this are summarised in paragraphs 4.3 to 4.5 below.

4.3   Risk F1 – Adverse Funding Changes (SFC/SDS/ESF). This is scoring as probability of 4 and impact of 4 after mitigating actions. There are challenges for each of these funding strands particularly in the medium to long term. The SFC funding allocation does not fund the Region to the full value of the

previously calculated simplified model and there is now national bargaining funding for the medium period which completely distorts that proposed model. The SFC are considering a new future model however there is no indication how that will be constructed. For SDS there are changes in the funding strands they provide and changes to SDS itself. ESF funding is increased for 2017/18 however reduces for 2018/19 as the current programme ends. Finally, the capital funding policy by GCRB has some risk although this has reduced for 2018/19 as they are following the SFC funding allocation policy with the very high priority estates needs being funded.

4.4 Risk O1 – Negative impact on employee relations (e.g. national bargaining, industrial action, local consultation). This is scoring as probability of 3 and impact of 5 after mitigating actions. Some of the key issues in this risk are associated with decisions that are not within the College's direct control.

4.5 Risk O2 – Failure of College operational processes/systems/ICT infrastructure (including risk of fraud). This is scoring as probability of 3 and impact of 5 after mitigating actions. This is just scoring within the high range and is due to the volume of activity across the College processes and has been noted as increasing in relation to new cyber security requirements from October 2018.

4.6 In addition Risk F2 – Failure to achieve surplus targets for non-SFC commercial activity, Risk O3 – Failure to achieve a sustainable fit for purpose estate, and Risk G1 – Failure to meet all legislative and regulatory requirements and/or recommended guidance are all scoring as medium risk.

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

The College is required to have a risk register as part of the Financial Memorandum.

6. HAS AN EQUALITY IMPACT ASSESSMENT BEEN CARRIED OUT

N/A

					Score Before Mitigating Actions					Score After Mitigating Actions				
GLASGOW CLYDE COLLEGE - STRATEGIC RISK REGISTER								Key of abbreviations : SFC = Scottish Funding Council, GCRB = Glasgow Colleges Regional Board, GCG = Glasgow Colleges Group, SDS = Skills Development Scotland, ESF = European Social Fund, JISC = Joint Information Steering Committee		as at 9th May 2018				
Risk Ref	New Risk Description	Risk Category	Link to Development Plan Goal	Risk Owner	Probability	Impact	Risk Score	Mitigating Actions	Probability	Impact	Risk Score	Risk Ranking after mitigating actions	Risk Score at last report to the Board	Risk Increasing/ Decreasing/ No Change
Financial Risks														
F1	**Adverse Funding changes (SFC/SDS/ESF)**	Financial	Goal 4 - Ensuring operational effectiveness and efficiency	Principal/ Vice Principals	5	5	25	i) 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. Portfolio planning key element of cost base and monitored on ongoing basis. Portfolio for 2018/19 now in final stages of development. ii) Continue to aim to inform and influence funding allocations through Principals Forum, Glasgow Colleges Regional Board, MSPs, and other appropriate bodies. Indicative funding allocation for 2018/19 announced. iii) Work with Colleges Scotland and Scotland's Colleges Partnership on lobbying regarding impact on ESF funding and development of future alternative resources iv) Projects progressed to address priority items as per College Capital masterplan based on affordability and potential for applications to Foundation v)Ensure ongoing dialogue with SDS vi) Working to achieve requirements of 2017/18 Flexible Workforce Development Fund	4	4	16	F1	16	Decreased for 2018/19. Increased from 2019/20.
F2	**Failure to achieve surplus targets for non-SFC/ commercial activity**	Financial	Goal 3 & Goal 4 - Contributing to the local, regional and national economy, & ensuring operational effectiveness and efficiency	Assistant Principal International and Business Development	4	5	20	i) Regular monitoring between Business Development Unit and Faculty Management of non-SFC commercial activity and replacement activity identified as required. ii) Costing templates completed for all commercial activity. Further monitoring of in year staff costs being developed during 2017/18. iii) Increased engagement and marketing effort to maintain current business but also to open and grow new income streams. iv) Spread of activity across a range of activity areas to reduce risk of one large contract failure to overall surplus. v) Review and develop market opportunities through business development strategy and grow new markets. vi) Keep informed of constitutional change implications of Brexit and impact on non-SFC activity for the College.	2	5	10	F2	10	Decreased for 2017/18
F3	**Failure to achieve contracted overall teaching delivery targets for any key partner (SFC/SDS/ESF)**	Financial/ Organisational	Goal 1 & Goal 2 - Delivering exceptional learning opportunities, & growing exceptional partnerships	Vice Principal - Curriculum & External Relations	3	4	12	i) Annually plan and deliver portfolio to required quality standards, ensuring appropriate recruitment, retention and profile of students. ii) Discussions within Glasgow Colleges Group and with other partners to plan curriculum and make changes annually to meet market needs and Government and SFC guidance iii) Ensure stated teaching activity targets are met. iv) Work closely with relevant partners to ensure programmes implemented as planned v) Ensure all relevant agency (e.g. SDS) milestones and documentation requirements achieved. vi) College undertake effective competitor analysis, clear branding and focused marketing to maintain effective student recruitment	1	3	3	F3	3	Decreased for 2017/18

Key of abbreviations : SFC = Scottish Funding Council, GCRB = Glasgow Colleges Regional Board, GCG = Glasgow Colleges Group, SDS = Skills Development Scotland, ESF = European Social Fund, JISC = Joint Information Steering Committee

as at 9th May 2018

					Score Before Mitigating Actions				Score After Mitigating Actions					
Risk Ref	New Risk Description	Risk Category	Link to Development Plan Goal	Risk Owner	Probability	Impact	Risk Score	Mitigating Actions	Probability	Impact	Risk Score	Risk Ranking after mitigating actions	Risk Score at last report to the Board	Risk Increasing/ Decreasing/ No Change
Organisational Risks														
O1	**Negative impact on employee relations (e.g. national bargaining, industrial action, local consultation)**	Organisational / Reputational	Goal 1 & 2 - Delivering exceptional learning opportunities & Growing exceptional partnerships	Principal/ Assistant Principal HR	4	5	20	i) Focussed work with Trade Unions, specific and regular meetings with senior management, ensuring good flow of information, and ongoing communications. ii) Regular direct communication with staff e.g. staff briefings, focus groups. iii) Representation made through Employers Association Group, Colleges Scotland, Principals Forum, and GCRB, within national bargaining process. iv) Emphasis being made nationally on imperative of financial sustainability and affordability issues particularly given increased staffing costs and challenges of the Glasgow Regional context. v) Discussion with unions on impact on College financial sustainability and organisational impacts. vi) Business continuity planning used to ensure all stakeholders appropriately communicated with in any potential industrial action.	3	5	15	O1	15	No change
O2	**Failure of College operational processes/ systems /ICT infrastructure (including risk of fraud)**	Organisational	Goal 1 & 4 -Delivering exceptional learning opportunities & Ensuring operational effectiveness and efficiency	Vice Principal Resources & College Development & Vice Principal- Curriculum & External Relations	4	5	20	i) Monitoring systems in place across College and feedback from relevant staff. Any issues addressed as necessary and action taken. ii) Business system improvement process in place iii) Infrastructure designed not to have single points of failure with all campuses operating a sophisticated dual-core network topology. iv) Virtualisation infrastructure which improves server resilience with two main data centres at different campuses. v) Member of JISC Information Security service which provides support to secure against cyber attack and regular ICT network penetration testing undertaken. vi) ICT backup procedures and Disaster Recovery planning. Penetration testing exercise completed. Preparations for cyber resilience requirements by October 2018 underway. vii) Web filtering technology in place and uninterruptable power supply in place. viii) Fraud response plan in place	3	5	15	O2	15	No Change
O3	**Failure to achieve a sustainable fit for purpose College estate**	Organisational/ Financial	Goal 4 - Ensuring operational effectiveness and efficiency	Vice Principal - Resources & College Development	4	3	12	i) Capital masterplan in place and related to estates condition survey which highlights required investment to maintain College estate. Funding for 2018/19 for very high priority items from condition survey allocated to GCRB although these have still to be finalised and there are logistical issues in spending the funds within the timeframe. ii) Work with GCRB and SFC to ensure fully informed of estates requirements iii) Action being taken on Langside residences and dialogue ongoing with potential new lease holder.	2	3	6	O3	9	No Change
O4	**Failure to recruit and retain an appropriately skilled and effective workforce**	Organisational/ Reputational	Goal 2 & 4 - Growing exceptional partnerships & Ensuring operational effectiveness and efficiency	Assistant Principal HR	3	5	15	i) Recruitment and retention of staff for some skills areas remains challenging and College continues to use a range of approaches as appropriate. ii) Maintain open channels of communication with trade unions, college managers and their staff, and effective attendance management process in place. iii) All new staff have an induction process and annual training programme undertaken. iv) Cover arranged as required for absence of key staff members. v) Appropriate CPD provided for staff to meet identified skills gaps	2	4	8	O4	8	No change
O5	**High Impact Disaster for College e.g. fire, long term power loss**	Organisational	Goal 4 - Ensuring operational effectiveness and efficiency	Vice Principal - Resources & College Development	3	5	15	i) Health and safety risk assessments in place and required testing and audits completed on an annual cycle ii) Business Continuity Plan for College in place. iii) Estates condition survey completed and prioritising projects through estates based on affordability. iv) Business interruption insurance in place v) Fire integrity works to be completed at Anniesland summer 2018 vi) Mary Stuart building cladding report being prepared	2	4	8	O5	8	No Change

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as at 9th May 2018

Risk Ref	New Risk Description	Risk Category	Link to Development Plan Goal	Risk Owner	Score Before Mitigating Actions			Mitigating Actions	Score After Mitigating Actions			Risk Ranking after mitigating actions	Risk Score at last report to the Board	Risk Increasing/ Decreasing/ No Change
					Probability	Impact	Risk Score		Probability	Impact	Risk Score			
O6	Failure to achieve acceptably high standard quality of teaching delivery and support for students	Organisational/ Financial	Goal 1 - Delivering exceptional learning opportunities	Vice Principal - Curriculum & External Relations	3	4	12	i) Monitor of teaching KPIs across all subject areas and action taken to address areas of concern. ii) Quality mechanisms undertaken through annual cycle including self evaluation and internal and external verification processes. iii) Heads of Curriculum and Unit Managers monitor quality and delivery of service during year and follow up on any issues. iv) Faculty staff work with students association, class reps and student feedback mechanisms to monitor feedback on quality and follow up on any issues	2	2	4	O6	4	No Change
Governance Risks														
G1	Failure to meet all legislative and regulatory requirements and/or recommended guidance	Governance/ Reputational	Goal 4 - Ensuring operational effectiveness and efficiency	Principal/ Clerk to the Board	4	5	20	i) Work within roles, responsibilities and legal implications of Post-16 Legislation and associated related guidance. ii) Liaison with and maintaining ongoing dialogue with relevant bodies e.g. SFC, GCRB and Scottish Government. iii) College ensure full knowledge and implementation of legislative, regulatory and guidance requirements including requirements of Financial Memorandum with SFC. iv) Individual managers required to keep up to date with legislation relating to their areas and implement appropriate controls v) Ensure Board have appropriate training on key guidance and legislation and take proactive role of Board in ensuring meet all requirements. vi) Seek legal advice as required. vii) Prepare relevant people for potential attendance at Public Audit Committee in relation to Section 22 report and PR/media strategy and Board briefing pack to be developed vii) Prepare for General Data Protection Regulation coming into force on 25th May 2018	3	4	12	G1	12	No change
G2	Failure to recruit, train and retain an appropriately experienced Board of Management	Governance	Goal 4 - Ensuring operational effectiveness and efficiency	Clerk to the Board	3	4	12	i) Continue to maintain membership of Board of Management at suitable level with the correct level and mix of skills. Nominations committe now established. ii) Annual self assessment for Board members and training provided as required. iii) Induction provided for all new Board members. iv) Ensure Board undertake an ongoing programme of training to meet CPD needs. v) Board member handbook in place and an annual review/update to be undertaken.	2	3	6	G3	6	No change
G3	Failure to comply with Health and Safety requirements	Organisational	Goal 4 - Ensuring operational effectiveness and efficiency	Assistant Principal HR	1	5	5	i) Glasgow Clyde College Health and Safety Committee and Campus Forums meet regularly to monitor health and safety arrangements and any issues are raised. ii) Health and Safety Officers working across the three campuses and ensure annual cycle of health and safety audits are completed iii) Regular reporting on Health and Safety to Organisational Development Committee as part of their remit requirements.	1	4	4	G2	4	No Change

AUDIT COMMITTEE MEETING

Date of Meeting	23 May 2018
Paper Title	National Fraud Initiative – 2017 Outcomes
Agenda Item	18.26
Paper Number	18.26
Responsible Officer	Tracy Elliott, Assistant Principal – Finance & Infrastructure
Status	Non-disclosable
Action	For Noting

1 **REPORT PURPOSE**

This paper provides the Audit Committee with a report on the approach adopted by the College in relation to the submission of data, investigation and response to the queries raised during the 2016/17 National Fraud Initiative (NFI).

2 **RECOMMENDATION**

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

3 **BACKGROUND**

The National Fraud Initiative (NFI) in Scotland is a counter-fraud exercise led by Audit Scotland, and overseen by the Cabinet Office for the UK as a whole. It utilises computerised techniques to compare information about individuals held by different public bodies, and on different financial systems that could potentially suggest the existence of fraud or error. The reports provided mean that public bodies can take action if any fraud or error has taken place, and it allows auditors to assess fraud prevention arrangements which those bodies have.

NFI matches a range of electronic information held on the College's finance and payroll systems, to identify potential inconsistencies or circumstances that could indicate fraud or error within and between public and private sector bodies. These bodies include police authorities, local probation boards, fire and rescue authorities as well as local councils, colleges and a number of private sector bodies.

It should be noted that a match does not automatically mean that there is a fraud or error and investigations are required to enable the correct conclusion to be drawn for each match reported. The College investigates reported matches and records appropriate outcomes on a secure web application based on their investigations.

This was the first request from Audit Scotland for the College to participate in the exercise which covered the period October 2013 to October 16, the date of extract. As the Audit Scotland communications did not provide the required timeline for the completion of the exercise, the College contacted Audit Scotland to clarify this and were advised that the exercise required to be completed by the end of 2017. The College complied with this timescale. The next review will take place in 2018/19.

The required data was limited to payroll / purchase ledger transaction and standing data. In the case of payroll data this consisted of current employee standing data including NI numbers along with YTD earnings. For purchase ledger information the College supplied address and transaction histories.

The Cabinet Office uses the term "Fair Processing Notices" to refer to informing individuals that their data is being shared. The Information Commissioner's Office promotes the use of the term 'privacy notice' to describe the provision of this information, and this is the terminology that we use. The College followed the guidance from Audit Scotland's website and duly published a notice on the College Intranet and via all staff email.

The College has an internal process for review of the outcomes notified by NFI. Where a match is recorded Audit Scotland recommends when it should be investigated. Of the 187 matches recorded, only 1 was recommended for investigation by Audit Scotland. However, as this was the first exercise that the College has participated in, a decision was taken to investigate all matches notified.

These investigations are undertaken by senior finance and procurement staff and where necessary utilising payroll / HR colleagues as appropriate. The College's external auditor has subsequently recommended that a risk based approach be considered where a sample of matches are investigated and the College will consider this approach when participating in future such exercises.

In addition, the College external auditor, Scott Moncrieff, has reviewed the College's NFI exercise and has completed and submitted an Audit Scotland NFI Questionnaire confirming that it considers the engagement with the exercise to be satisfactory. They have also confirmed that the number of matches is proportionate to other bodies of our size.

The screen shot below indicates the type of matches notified to the College and the current status of those matches. At this time there are no outstanding matches and there are no instances of fraud to report.

Id ▲	Report Title	Total Recommended	Total All	Status	Processed	In Progress	Frauds	Errors	Outcome
66	⇄ 🔑 ✉ Payroll to Payroll	0	49	❓Opened	49	0	0	0	£0.00
80	↻ 🔑 Payroll to Creditors	1	5	❓Opened	5	0	0	0	£0.00
81	↻ Payroll to Creditors	0	3	❓Opened	3	0	0	0	£0.00
700	↻ Duplicate creditors by creditor reference	0	15	❓Opened	15	0	0	0	£0.00
701	↻ Duplicate creditors by creditor name	0	28	❓Opened	28	0	0	0	£0.00
702	↻ Duplicate creditors by address detail	0	35	❓Opened	35	0	0	0	£0.00
703	↻ Duplicate creditors by bank account number	0	43	❓Opened	43	0	0	0	£0.00
750	↻ 📄 Procurement - Payroll to Companies House (Director)	0	4	❓Opened	4	0	0	0	£0.00
752	↻ 📄 Procurement - Payroll to Companies House (Director)	0	5	❓Opened	5	0	0	0	£0.00
TOTAL		1	187		187	0	0	0	£0.00

4 RISK ANALYSIS

There are no instances of fraud to report and the College will continue to engage with the NFI process as part of its approach to risk management in terms of fraud.

5 LEGAL IMPLICATIONS/ FINANCIAL IMPLICATIONS/ REGIONAL OUTCOME AGREEMENT IMPLICATIONS

There are no specific legal, financial or Regional Outcome Agreement implications within this paper.

6 HAS AN EQUALITY IMPACT ASSESSMENT BEEN CARRIED OUT

N/A

AUDIT COMMITTEE MEETING

Date of Meeting	23 May 2018
Paper Title	Section 22 reports for Edinburgh College and New College Lanarkshire
Agenda Item	18.27
Paper Number	18.27A
Responsible Officer	Janet Thomson, Vice Principal – Resources and College Development
Status	Disclosable
Action	For Noting

1 **REPORT PURPOSE**

This report provides the Committee with an update on two recent Section 22 reports which have prepared on Colleges in Scotland and the processes in place in Glasgow Clyde College in the areas raised.

2. **RECOMMENDATION**

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

3. **BACKGROUND**

3.1 There have been two recent Section 22 reports prepared by Audit Scotland which relate to Edinburgh College and New College Lanarkshire and these are attached. These reports have been included for information and to reassure the Committee of the position within Glasgow Clyde College.

3.2 The section 22 reports relate to financial sustainability. For Edinburgh College it has had a Business Transformation Plan following its financial issues in 2014/15 and 2015/16 when it did not achieve its credits targets. This section 22 report indicates good progress against that plan. For the reassurance of the Committee Glasgow Clyde College has achieved its activity target every year since its inception at merger.

3.3 The report for New College Lanarkshire highlights that they did not take full account in their budgeting of the anticipated costs of pay awards and they had had higher than achievable forecasts of income. Glasgow Clyde College includes reasonable assumptions of potential pay awards although this is increasingly difficult due to national bargaining and the College maintains reasonable assumptions for income growth backed up by suitable plans.

4. RISK ANALYSIS

There are no specific risk implications in this paper.

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

There are no specific legal, financial or Regional Outcome Agreement implications within this paper.

6. HAS AN EQUALITY IMPACT ASSESSMENT BEEN CARRIED OUT

N/A

The 2016/17 audit of Edinburgh College

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Contents

Introduction

1. I have received the audited accounts and the independent auditor's report for Edinburgh College for 2016/17. I am submitting these financial statements and the independent auditor's report under section 22(4) of the Public Finance and Accountability (Scotland) Act 2000, together with this report that I have prepared under section 22(3) of the Act.

2. I have prepared two previous reports on Edinburgh College under section 22(3), for 2014/15 and 2015/16, to draw Parliament's attention to concerns about the financial sustainability of the college.

3. In my 2015/16 report (March 2017) I concluded that the college had put in place more robust governance arrangements and while there was an overall picture of progress and improvement, the college's financial position remained challenging.

4. The purpose of this report is to draw Parliament's attention to the progress Edinburgh College has made towards financial sustainability. My report is based on information provided through the 2016/17 audit of Edinburgh College and additional work undertaken by the auditor.

2016/17 audit opinion

5. The auditor issued an unqualified opinion on Edinburgh College's financial statements for 2016/17. The college reported an operating deficit of £2.479 million for 2016/17 (2015/16 £7.035 million deficit) which compared well with the business transformation plan (BTP)[1] forecast deficit of £3.814 million.

6. Colleges' accounts include an analysis of the underlying financial position which removes items such as pension and depreciation adjustments and other exceptional items. Excluding these items and the £2.9 million additional financial support provided by the Scottish Funding Council (SFC), the underlying position for Edinburgh College for 2016/17 was a £2.544 million deficit (2015/16 £3.862 million deficit). The £2.9 million additional financial support provided by the SFC will be repayable through adjustments to future grant funding.

7. The auditor highlighted that the college exceeded the target agreed with the SFC for learning activity in 2016/17 and that the college met its financial targets for 2016/17. The auditor also noted that the college will need to ensure that the savings achieved to date are sustained in future years.

Current financial position and future sustainability

Financial position

8. The auditor confirmed that the college has established good monitoring processes for the BTP which involves regular monitoring group meetings involving the college's Executive Team and the SFC.

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[1] The college developed its business transformation plan to help it move to a sustainable financial position by improving operations and the delivery of core activity.

9. As noted, the college's financial position had improved by the end of 2016/17. For 2017/18, the BTP forecast a deficit of £0.546 million, followed by a surplus of £0.584 million in 2018/19. In the college's management accounts for the six months to January 2018, the projected deficit for the year had increased to £0.56 million, slightly above the BTP forecast.

10. In November 2016, the SFC provided written assurances to the college that it will continue to support the college through to 2018/19, when the transformation plan is due to be fully implemented. The £2.9 million additional financial support provided by the SFC will be repayable through adjustments to future grant funding.

Activity targets

11. The financial sustainability of Edinburgh College is dependent on its ability to deliver its annual activity target. The college's activity target for 2016/17 was 186,028 credits. It delivered a total of 186,978 credits. This is the first time since the college merger in 2012 that the college has achieved its activity target.

12. The SFC and the college agreed an increased total activity target of 187,742 credits for 2017/18. The college reports that it had delivered 188,476 credits by mid-February 2018. This means that the college has met its activity targets for 2017/18 and is now in discussion with the SFC to secure additional funding. The college plans to continue to seek modest increases to its activity target. Growth will depend on the availability of SFC funding and on successful delivery of the college's new curriculum.

Planned savings

13. The BTP is now in its third and final year. At the February 2018 meeting of the college's Policy and Resources Committee, management advised members that the majority of projects were either closed or in their final stages, and that the college was preparing formal project closure reports and lessons learned reviews. Formal closure of the BTP has still to take place; this is likely to be later in 2018 and will require SFC approval.

14. The college planned for four voluntary severance schemes from 2015/16 to 2017/18, with a target reduction of around 134 FTE staff. The college anticipates that, in total, these schemes will deliver recurring savings of £4.6 million by the end of 2018/19. The SFC is providing £3.3 million of support for these schemes. The three schemes implemented to date have resulted in 112 FTE staff leaving which delivered savings of £3.55 million.

15. The fourth scheme was launched in March 2018 with a target saving of £0.35 million. Achieving this saving will be challenging. Total savings from the voluntary severance schemes will not achieve the original anticipated target. The college is considering alternative options to achieve the necessary savings.

16. In addition to savings generated from the three voluntary severance schemes to date, the college has achieved savings from other sources. These other savings include deleting posts from the establishment and operational savings such as property and IT costs. These other

savings exceeded the target for 2016/17, generating £1.34 million against a target of £0.38 million.

17. The BTP sets out total forecast savings (including voluntary severance savings) of £5.43 million over the three years to the end of 2017/18. At the end of 2016/17, savings had exceeded the target of £4.63 million by £0.26 million. The college is looking to achieve further savings of £0.54 million in 2017/18.

18. By the end of January 2018, the college reported savings of £0.15 million. This leaves a gap of £0.39 million to be achieved in the second half of the financial year. The college is confident that the savings will be achieved.

19. In September 2017, the college's Board of Management approved the new Strategic Plan for 2017-22 and associated 'Blueprint'. The Blueprint describes how the college will deliver the vision, mission and strategic aims of the Strategic Plan, and will be managed by a portfolio board made up of Executive Team members and the college Programme Management Office.

Conclusion

20. The college has made good progress in its BTP with the majority of projects closed or in the final stages of completion. Learning activity targets for 2017/18 have been met. Management are confident that the planned financial position will be achieved. They acknowledge that while further action is required and that risks remain, the college is on track to return to a sustainable financial position.

21. The College Principal has announced that she intends to retire from September 2018. The principal has led the college through its transformation. A new Chair of the Board was appointed in March 2018, replacing the current chair who had held the position since incorporation in 2012. The new chair has been the Principal and Vice Chancellor of Aberdeen University for eight years. The challenge for the new leadership team is to continue the process of transformation to secure the college's future financial sustainability.

22. As with other colleges, Edinburgh continues to face financial pressures. For example, it will need to meet the costs arising from the national pay awards and increased employer pension contributions.

23. It is imperative that the college continues to closely monitor its financial performance to ensure that targets are met and that financial sustainability is achieved. Leadership capacity and the momentum for transformation need to be continued and maintained over this period of change.

The 2016/17 audit of Edinburgh College

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The 2016/17 audit of New College Lanarkshire

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2. The purpose of this report is to draw Parliament's attention to the financial challenges New College Lanarkshire faces and the potential impact on its longer-term financial sustainability.

The auditor's opinion

3. The auditor gave an unqualified opinion on New College Lanarkshire's financial statements for 2016/17 but has highlighted concerns about the college's financial sustainability. In 2016/17, the Scottish Funding Council (SFC) provided the college with £1.9 million advance funding from the college's 2017/18 allocation. The college's underlying deficit in 2016/17 was £560,000 (one per cent of total income).

Background

4. New College Lanarkshire is an independent body with charitable status as defined by the Further and Higher Education (Scotland) Act 1992. The college was established in November 2013 by the merger of Cumbernauld College and Motherwell College. Coatbridge College then joined in April 2014.

5. New College Lanarkshire is a regional college governed by the Lanarkshire Board. The Lanarkshire Board is the Regional Strategic Body. As well as being responsible for the governance of New College Lanarkshire, the Lanarkshire Board has statutory responsibilities in relation to South Lanarkshire College. The Lanarkshire Board has responsibility for ensuring that both colleges provide high-quality further and higher education.

6. In 2016/17, there were 16,385 learners at New College Lanarkshire and it employed 1,007 staff. Income for 2016/17 was £55.1 million.

7. Scotland's colleges 2017 reported that New College Lanarkshire had faced cash flow pressures during 2015/16.[1] The college's cash flow problems continued during 2016/17 and the college required financial support from the SFC.

Financial difficulties

8. New College Lanarkshire's financial difficulties became apparent in 2015/16. As Scotland's colleges 2017 noted, the college indicated its cash flow problems were due to a combination of lower than expected levels of fee income and higher than expected costs associated with

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[1] Scotland's colleges 2017, Audit Scotland, June 2017. Exhibit 8, page 20.

national bargaining, pensions and national insurance contributions. Despite the college taking steps to address these pressures, the financial difficulties continued during 2016/17.

9. Colleges generally operate on narrow margins. This means that relatively small changes in income or expenditure can push a college from a surplus into a deficit position and vice versa. New College Lanarkshire has indicated that a number of factors contributed to it setting a very tight budget in 2015/16. As well as the cost increases for pensions and national insurance contributions, there were unexpected costs associated with Coatbridge College. While the costs presented the college with challenges, it had incorporated these into its financial plans for 2015/16 and had forecast a break-even position for that year.

10. The college's budget for 2015/16 included a target of £6.1 million for Fee and Educational Contract Income. However, this proved to be overly ambitious and the college received only £5.2 million. The college also did not plan fully for some of the costs associated with national bargaining. After 20 years of locally negotiating staff pay, terms and conditions, the Scottish Government reintroduced national bargaining to the college sector. In March 2016, the National Joint Negotiating Committee agreed pay increases for all college staff for 2015/16 (backdated to April 2015) and 2016/17. Scotland's colleges 2016 highlighted national bargaining as a cost pressure and recommended that colleges develop long-term financial strategies, underpinned by medium-term plans, which take account of significant financial pressures.[2]

11. Negotiations on national bargaining were ongoing when New College Lanarkshire set its budget, so the college could not have predicted a precise cost for this. However, it did not include any cost in its budget and the final additional cost was £400,000.

Initial action to address cash flow problems

12. During 2015/16, the college tried to manage its cash flow problems. It delayed payments to creditors and sought to receive quicker payments from debtors, but this did not address the underlying problems. In the summer of 2016, the Chair of the Lanarkshire Board and the college principal were concerned that there had been significant fluctuations in the college's financial position late in the financial year, when it was too late to take corrective action. In July 2016, at the same time as making internal enquiries of staff, the college began discussions with the SFC about these concerns. The college indicated that it was forecasting a deficit position for 2015/16 and that it was likely to experience cash flow problems. The SFC and New College Lanarkshire continued to discuss the financial position over the following months.

13. At the September 2016 meeting of the college's Finance Committee, the Chair of the Lanarkshire Board and college's principal informed members about financial reporting concerns. They also informed the committee of their decision to commission an external review of the college's finance function, including skills and reporting arrangements. The committee supported this action. The Board's Chairs' Committee considered the report in

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[2] Scotland's colleges 2016, Audit Scotland, June 2016.

November 2016 and established a sub-committee to oversee the college's response to the findings.

14. The college's internal auditors also reviewed its budgetary controls processes. The internal audit identified major weaknesses in systems. The college's Audit Committee considered the internal audit findings in November 2016. The college put in place an action plan and has addressed the eight recommendations, including improving its financial reporting.

15. College management informed the Lanarkshire Board in October 2016 that the impact of the 2015/16 cost pressures would result in a forecast deficit for 2016/17. In December 2016, the college forecast that the cash shortfall would be £2 million by March 2017 and made a formal request for financial support to the SFC in January 2017. The SFC provided £1.9 million to the college in July 2017. This was advance funding, and the SFC reduced the college's 2017/18 funding by the same amount. The SFC provided the advance funding on the condition that the college develop a Business Scenario Plan to address the underlying cost pressures

Future financial sustainability

16. Since we reported our concerns in *Scotland's colleges 2017*, the college has been working closely with the SFC on its Business Scenario Plan. This proposes a number of actions to reduce costs over the period 2017/18 to 2021/22. Options include changes to operating structures and to infrastructure, all of which would require significant capital and revenue funding in the first instance.

17. Developing the plan has been an iterative process, with the SFC providing feedback to the college on the options. The college submitted a draft plan to the SFC for review in May 2017. A second draft was submitted in August 2017, and a further draft was submitted in April 2018. The college is starting to implement some approved elements of the plan. For example, in November 2017, the SFC agreed to provide the college with strategic funding of £866,000 for a voluntary severance scheme and, in February 2018, it agreed a further £225,000.These are one-off payments that the college does not have to repay.

18. The college's underlying deficit in 2016/17 was £560,000 (one per cent of total income), compared to an underlying deficit of £2.2 million in 2015/16 (four per cent of total income). While the college has yet to finalise the Business Scenario Plan, it implemented some cost saving measures in 2016/17, including reducing both its estate and its information and communication technology costs. This delivered savings of around £2 million. The draft Business Scenario Plan forecasts underlying deficits of £657,000 in 2017/18 and £346,000 in 2018/19. It is forecasting a surplus of £1.1 million in 2019/20, and surpluses of £997,000 in 2020/21 and £916,000 in 2021/22.

Conclusion

19. In Scotland's colleges 2017, I commented on the issues New College Lanarkshire faced during 2015/16. The college had to absorb a number of unexpected costs in 2014/15, which led to it setting a very tight budget for 2015/16. However, the college did not plan effectively

for all known additional costs and was overly optimistic in its assumptions for generating income in 2015/16. While the college made some savings these were not enough and its financial difficulties continued in 2016/17. It received an advance of its 2017/18 allocation from the SFC. The college also received additional strategic funding from the SFC in 2017/18 and expects it will require further additional funding to bring it to a stable financial position. At the time of this report, the SFC and the college had yet to agree the amount of funding. The college has taken steps to improve the quality of financial performance monitoring and forecasting. It is working with the SFC to deliver a sustainable business model. I have asked the auditor to keep the position under review.

The 2016/17 audit of
New College Lanarkshire

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GLASGOW CLYDE
COLLEGE

AUDIT COMMITTEE MEETING

Date of Meeting	23 May 2018
Paper Title	Internal and External Audit Rolling Action Plan
Agenda Item	18.28
Paper Number	18.28A
Responsible Officer	Tracy Elliott, Assistant Principal – Finance & Infrastructure
Status	Non-Disclosable
Action	For Discussion

1   **REPORT PURPOSE**

This report is provided to each Committee meeting to update on the implementation status of previous internal and external audit recommendations which have not already been reported as fully implemented. The purpose is to ensure that all recommendations are followed through to full implementation.

2.   RECOMMENDATION

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

3.   BACKGROUND

3.1   The Internal and External Audit Rolling Action Plan is attached. Within the action plan as at 9 May 2018 there are 17 previous recommendations areas shown, of which 14 are partially implemented and 3 are fully implemented. Seven of these were all part of the one recommendation from the Data Protection Audit Part 1 however have been listed as separate actions for the purposes of the rolling action plan and are all being progressed through GDPR preparation activity and the associated workplan.

3.2   An update of this action plan is reported to each Audit Committee which is a monitor of actions through to full implementation.

4.   RISK ANALYSIS

There are no specific risk implications in this paper.

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

There are no specific legal, financial or Regional Outcome Agreement implications within this paper.

6. HAS AN EQUALITY IMPACT ASSESSMENT BEEN CARRIED OUT

N/A

GLASGOW CLYDE COLLEGE

ROLLING ACTION PLAN FOR INTERNAL AND EXTERNAL AUDIT PRIOR RECOMMENDATIONS

UPDATE

AS AT 9 MAY 2018

Contents

- Partially implemented recommendations, outstanding or within timescale (1.1 – 1.14)
- Fully implemented recommendations (2.1 – 2.3)

ROLLING INTERNAL AND EXTERNAL AUDIT ACTION PLAN
Partially implemented, within timescale or outstanding previous recommendations

Item Ref	Recommendation	Priority	Responsibility	Timing	Status	Report Ref	Update at 9 May 2018
1.1	**Staff Development** As part of the review of the Personal Development Planning process the College should consider: How staff learning and development actions can be more clearly linked to Faculty / departmental objectives on the Personal Development Plans; and Developing further guidance for staff and managers on how the Personal Development Plan interviews should be conducted and how development plans should be completed. Any revision to this guidance should be supported by training provided by L&D staff.	**Low**	Organisational Development Manager	May 2018 (revised from November 2017 and February 2018)	**Partially Implemented**	Staff Development Internal Audit Report	Details of the new PDP process have been discussed throughout workforce planning meetings. Information sessions and training for managers will take place throughout May. This process was delayed by a couple of months due an unfilled post within the department.

ROLLING INTERNAL AND EXTERNAL AUDIT ACTION PLAN
Partially implemented, within timescale or outstanding previous recommendations

Item Ref	Recommendation	Priority	Responsibility	Timing	Recommendation Status	Report Ref	Update at 9 May 2018
1.2	**IT Strategy/ IT Network Arrangements** Develop an Information Risk Management Policy, which is approved and supported by the Board of Management, which clearly communicates the College's approach to information risk management. This should aim to ensure that all employees, students, contractors and suppliers are aware of the College's approach, how decisions are made, and any applicable risk boundaries.	**Low**	Vice Principal Resources & College Development & AP Finance & Infrastructure	June 2018 (revised from September 2017 & March 2018)	**Partially Implemented**	IT Strategy/ IT Network Arrangements Internal Audit Report	InfoSec have completed a business impact analysis and an Information Security Policy has been drafted which will go to the June Board of Management.

ROLLING INTERNAL AND EXTERNAL AUDIT ACTION PLAN
Partially implemented, within timescale or outstanding previous recommendations

Item Ref	Recommendation	Priority	Responsibility	Timing	Recommendation Status	Report Ref	Update at 9 May 2018
1.3	**IT Strategy/ IT Network Arrangements** Develop a programme of information security training for new and existing users to mitigate information security risks covering; 1) the College's information security policy (linked to rec 1.5); 2) an induction process for new users (including contractors and third party users); 3) regular refresher training on the security risks to the College; 4) supporting staff in information security roles to enrol on a recognised certification scheme; 5) monitoring the effectiveness of security training; 6) promoting an incident reporting culture and 7) establishing a formal disciplinary process to address abuse of the College's security policies.	**Medium**	Senior Management Team	June 2018 (revised from March 2018 & September 2017)	**Partially Implemented**	IT Strategy/ IT Network Arrangements Internal Audit Report	Some training on information security has been provided to the Senior Management Team (SMT), and some training was provided to ICT and to other staff as part of the August 2017 staff development days. There has been training sent out to all staff on GDPR and further training is planned to be sent out to all staff on information security. The date has been amended to June to align with recommendation 1.2 above.

ROLLING INTERNAL AND EXTERNAL AUDIT ACTION PLAN
Partially implemented, within timescale or outstanding previous recommendations

Item Ref	Recommendation	Priority	Responsibility	Timing	Status	Report Ref	Update at 9 May 2018
1.4	**Actions arising from Ransom Ware Event May 2017** Take offline any remaining legacy servers that have the potential to be vulnerable;	**Medium** **Low**	Head of ICT Head of ICT	Completed Sept 2018	**Overall Partially Implemented** **Within Timescale**	College Report on Ransomware Event May 2017	All legacy servers that had a potential vulnerability have either been fully removed or had their external presence removed to mitigate against the potential risk. There will be a separate and significant Systems Development project to create a single-SQL data instance and export all data from the legacy MIS systems into one searchable database solution. This will ensure that all servers operate a current Server Operating System that we can maintain and adequately secure. This will first require a data mapping exercise, and a data cleansing exercise in relation to GDPR legislation.

ROLLING INTERNAL AND EXTERNAL AUDIT ACTION PLAN
Partially implemented, within timescale or outstanding previous recommendations

Item Ref	Recommendation	Priority	Responsibility	Timing	Recommendation Status	Report Ref	Update at 9 May 2018
1.5	**Accountability** Periodically review all of the Board papers and minutes on the College website for completeness, accuracy and to ensure all links are working. If there are any Board papers not provided, or any sections in minutes or papers redacted, then there should be a note on the website as to why these papers or sections have not been provided.	**Low**	Clerk to the Board	June 2018 (revised from December 2017)	**Partially Implemented**	Corporate Governance Internal Audit Report	New website is operational and Clerk has completed part of the training to upload (but not publish papers). Due to Easter break, reconciling diaries, and personal issues this has been delayed and should be finalised toward latter part of May. Once completed, all outstanding papers will be available. It is anticipated to be fully implemented by June 2018.
1.6	**Accountability** Consideration should be given as to whether the Board wants to allow staff and students to have a role in gathering and submitting evidence for the Remuneration Committee when considering the remuneration of the College Principal. If the Board wants to progress this, then there is a need to consider how this will be delivered in practice.	**Low**	Chair of the Board	June 2018	**Within Timescale**	Corporate Governance Internal Audit Report	Process to be prepared, in discussion with the Principal, and presented to the Board. Remuneration Committee was postponed from February and met on 2nd May. This will still require Board and Principal as a key member to discuss and agree.

ROLLING INTERNAL AND EXTERNAL AUDIT ACTION PLAN
Partially implemented, within timescale or outstanding previous recommendations

Item Ref	Recommendation	Priority	Responsibility	Timing	Recommendation Status	Report Ref	Update at 9 May 2018
1.7	**Effectiveness** Consider putting in place more formal oversight and procedures over the student elections and provide more comprehensive reporting from management to the Board both before and after the student elections.	**Low**	Assistant Principal Student Experience	December 2017 – Stage 1 June 2018 – Stage 2	**Overall Partially Implemented** **Stage 1 - Fully Implemented** **Stage 2 - Within Timescale**	Corporate Governance Internal Audit Report	A pre-election update paper was submitted to the Dec17 Board meeting. A post-election evaluative report will be presented to the Board of Management in June of each session (Stage 2) .
1.8	**Supply chain** Review supplier contracts to ensure that they contain appropriate data privacy / security clauses if they involve personal data. Request that major suppliers, including business system vendors, provide security certifications to demonstrate commitment and compliance with data protection legislation.	**Medium**	Vice Principal Resources & College Development	May 2018	**Within Timescale**	Data Protection Review (Part 1)	Review of all suppliers on APUC Framework agreements being undertaken by APUC. College reviewing its own contracts with suppliers to assess any of them where there is personal data involved.

ROLLING INTERNAL AND EXTERNAL AUDIT ACTION PLAN
Partially implemented, within timescale or outstanding previous recommendations

Item Ref	Recommendation	Priority	Responsibility	Timing	Recommendation Status	Report Ref	Update at 9 May 2018
1.9	**Human Resources** • Employee responsibilities regarding data protection to be communicated via an updated Data Protection Policy; • Enhanced data subject rights to be notified to staff via employee Privacy Notice; and • Communicate updated policies and procedures to staff and obtain evidence that staff have read and understood them.	**Medium**	Vice Principal Resources & College Development	May 2018	**Within Timescale**	Data Protection Review (Part 1)	Data Protection Policy being updated and will be communicated to all staff. Staff privacy notice drafted.
1.10	**Data mapping / information audit** Ensure that data audit documents the lawful basis for processing personal data, e.g. contract, legitimate interest, or consent.	**Medium**	Vice Principal Resources & College Development	May 2018	**Within Timescale**	Data Protection Review (Part 1)	Data Flow maps prepared. Data inventories documents contain assessment of lawful basis for processing.
1.11	**Business Continuity Plan (BCP)** Update the BCP to reflect risk of data breach and College response and recovery actions.	**Medium**	Vice Principal Resources & College Development	May 2018	**Within Timescale**	Data Protection Review (Part 1)	Business continuity plan to be updated to include section on data breach.
1.12	**Cyber Essentials** The Scottish Government has set a requirement for all public bodies to achieve the Cyber Essentials or Cyber Essentials Plus certification by the end of October 2018, with confirmation given to the Scottish Government by June 2018 that this will be achieved.	**Medium**	Vice Principal Resources & College Development	June 2018 (revised from May 2018)	**Within Timescale**	Data Protection Review (Part 1)	The College has decided to go for Cyber Essentials Plus certification and will confirm this to Scottish Government by June as required.

ROLLING INTERNAL AND EXTERNAL AUDIT ACTION PLAN
Partially implemented, within timescale or outstanding previous recommendations

Item Ref	Recommendation	Priority	Responsibility	Timing	Recommendation Status	Report Ref	Update at 9 May 2018
1.13	**CCTV** The College's use of CCTV for crime prevention purposes, and how its use satisfies the ICO's requirements, should be reflected within the College's Data Protection Policy and Privacy Statement. The entry in the ICO's Data Controller Register should also be updated to reflect the use of CCTV.	**Medium**	Vice Principal Resources & College Development	May 2018	**Within Timescale**	Data Protection Review (Part 1)	The College's Data Protection guidance includes the use of CCTV and is being checked to ensure it satisfies ICO requirements. The College Privacy Statements are being drafted and will include use of CCTV.
1.14	**GDPR Lifecycle maintenance** Develop procedures for ongoing monitoring of data protection and information security compliance including details of testing required beyond 25 May 2018.	**Medium**	Vice Principal Resources & College Development	May 2018	**Within Timescale**	Data Protection Review (Part 1)	This is on the GDPR Workplan for completion. It will be further developed by the new shared Data Protection Officer.

ROLLING INTERNAL AND EXTERNAL AUDIT ACTION PLAN
Fully implemented recommendations

Item Ref	Recommendation	Priority	Responsibility	Timing	Recommendation Status	Report Ref	Update at 9 May 2018
2.1	**Leadership and Strategy** Ensure that all Board Code of Conduct annual statements are completed and returned on a timely basis.	**Low**	Clerk to the Board	December 2017	**Fully Implemented**	Corporate Governance Internal Audit Report	New Board Members are issued with Code of Conduct for signature, and annually Codes of Conduct are signed by existing members. All outstanding Code of Conduct declarations are completed and up to date.
2.2	**Effectiveness** The College should consider what the process should be for removal of the Board Secretary and consider whether the Articles of Association require to be amended.	**Low**	Depute Principal/ Clerk to the Board	March 2018	**Fully Implemented**	Corporate Governance Internal Audit Report	Revised Articles were presented to the March Board and agreed, enabling a fair process for removal of the Board Secretary in accordance with the Code.

ROLLING INTERNAL AND EXTERNAL AUDIT ACTION PLAN
Fully implemented recommendations

Item Ref	Recommendation	Priority	Responsibility	Timing	Status	Report Ref	Update at 9 May 2018
2.3	**Cloud services used for processing personal data** Identify and confirm geographical location of servers. Where these are located outside of the EU this would constitute an international transfer of data and the College would need to document and communicate the safeguards that are in place in a Privacy Notice.	**Medium**	Vice Principal Resources & College Development	May 2018	**Fully Implemented**	Data Protection Review (Part 1)	The geographical location of the College related servers has been identified and none are out with the EU.