

AUDIT COMMITTEE

Wednesday 28 November 2018
The Boardroom, Langside Campus

AUDIT COMMITTEE

The Nineteenth meeting of the Audit Committee will be held on Wednesday 28th November 2018 at 4.30pm in the Boardroom, Langside Campus.

A G E N D A

18.45	Welcome and Apologies		D Watt
18.46	Declarations of Interests		D Watt
Minutes of Previous Meeting			
18.47	Minutes of the Audit Committee meeting of 03.10.18	P	D Watt
18.48	Matters Arising – Action Grid	P	D Watt
Items for Discussion/Decision			
18.49	Draft Annual Financial Statements for year ending 31 July 2018	P	T Elliott
18.50	External Audit Annual Report for year ending 31 July 2018	P	Scott Moncrieff
18.51	Draft Internal Audit Annual Report 2017-18	P	Henderson Loggie
18.52	College Strategic Risk Register	P	J Thomson
18.53	Student Activity Data Annual Report	P	Henderson Loggie
18.54	Student Support Funds Annual Report	P	Henderson Loggie
18.55	Proposed Internal Audit Plan 2018/19 (updated)	P	Henderson Loggie
Items for Information/Noting			
18.56	Internal and External Audit Rolling Action Plan	P	T Elliott
18.57	Draft Annual Report from Audit Committee to Board of Management	P	D Watt
18.58	Private Meeting with Internal and External Auditors	V	D Watt
18.59	Strathclyde Pension Fund Actuarial Valuation Report – Accounting Assumptions	P	T Elliott
18.60	OSCR Fraud Prevention Guidance – Internal Controls Assurance	P	T Elliott
Continual Improvement			
18.61	Equalities Impact Assessment on Decisions Made		D Watt
18.62	Review of Papers (including Disclosable status)		D Watt
18.63	Any Other Business		D Watt

AUDIT COMMITTEE

Date of the next meeting: 4.30pm on Wednesday 27th February 2019, in the Boardroom,
Langside Campus

Items 18.49, 18.50, 18.59 and 18.60 have been removed under the conditions of FOISA, 2002
Section 33 Commercial Interest and the economy.

AUDIT COMMITTEE MEETING

Date of Meeting	28 November 2018
Paper Title	Draft Internal Audit Annual Report 2017/18
Agenda Item	18.51
Paper Number	18.51A
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 Draft Internal Audit Annual Report for 2017/18.

2. RECOMMENDATION

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

3. BACKGROUND/

The College's internal auditors are Henderson Loggie who were appointed following a tender exercise for one year in 2015/16 which was then extended to October 2017. They were then reappointed for a further three years following a subsequent tender exercise.

As part of the internal audit activity the auditor is required to provide a summary of the work undertaken in the closing financial year which provides an overview of the work undertaken including their conclusions and recommendations. The report from Henderson Loggie for 2017/18 internal audit reporting is attached.

4. RISK ANALYSIS

The internal audit plan reporting is part of the overall College internal control mechanism which is within the College's risk management framework.

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

**Annual Report to the Board of Management and Principal on
the Provision of Internal Audit Services for 2017/18**

Internal Audit Report No: 2018/11

Draft Issued: 13 November 2018

Final Issued:

DRAFT

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1. Annual Report and Opinion

Introduction

- 1.1 We were re-appointed in September 2017 as internal auditors of Glasgow Clyde College ('the College') for the period 1 August 2017 to 31 July 2020 with an option to extend for a further 12 months. This report summarises the internal audit work performed during 2017/18.
- 1.2 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). The ANA was prepared following discussion with a number of College managers and Board members, and from a review of various College documents including previous internal audit reports. The ANA was based on the College's risk register supplemented by our own assessment of the risks faced by the College. Following on from the ANA a Strategic Plan was formulated, covering the normal three-year internal audit cycle, and this was approved by the Audit Committee, together with the ANA, at its meeting on 22 November 2017.
- 1.3 The work undertaken in the year followed that set out in the Strategic Plan for 2017/18.
- 1.4 The reports submitted are listed in Section 2 of this report and a summary of results and conclusions from each assignment is given at Section 3.
- 1.5 An analysis of time spent against budget is at Section 4.

Public Sector Internal Audit Standards (PSIAS) Reporting Requirements

- 1.6 The College has responsibility for maintaining an effective internal audit activity. You have engaged us to provide an independent risk-based assurance and consultancy internal audit service. To help you assess that you are maintaining an effective internal audit activity we:
 - Confirm our independence;
 - Provide information about the year's activity and the work planned for next year in this report; and
 - Provide quality assurance through self-assessment and independent external review of our methodology and operating practices.
- 1.7 Self-assessment is undertaken through:
 - Our continuous improvement approach to our service. We will discuss any new developments with management throughout the year;
 - Ensuring compliance with best professional practice, in particular the PSIAS;
 - Annual confirmation from all staff that they comply with required ethical standards and remain independent of clients;
 - Internal review of each assignment to confirm application of our methodology which is summarised in our internal audit manual; and
 - Annual completion of a checklist in May to confirm PSIAS compliance.

Public Sector Internal Audit Standards (PSIAS) Reporting Requirements (Continued)

- 1.8 The results of our self-assessment are that we are able to confirm that our service is independent of the College and complies with the PSIAS.
- 1.9 External assessment is built into our firm-wide quality assurance procedures. Henderson Loggie is a member of MHA, a national association of accountancy firms. Continued membership of MHA is dependent on maintaining a good level of quality and adhering to accounting and auditing standards in the provision of our services. Annual quality reviews are conducted to confirm our continuing achievement of this quality. The MHA review in April 2014 included our internal audit service. Overall the review found the firm's policies and procedures relating to internal audit to be compliant with the PSIAS in all material respects.

Significant Issues

- 1.10 There were no significant issues identifying major internal control weaknesses arising from our internal audit work during the year. In general, procedures were operating well in the areas selected, but a few areas for further strengthening were identified and action plans have been agreed to address these issues.

Opinion

- 1.11 In our opinion, the College has adequate and effective arrangements for risk management, control and governance. Proper arrangements are in place to promote and secure Value for Money. This opinion has been arrived at taking into consideration the work we have undertaken during 2017/18 and in the previous years since our first appointment in 2015/16.

2. Reports Submitted

Number	Title	Overall Grade	Recommendations	Priority 1	Priority 2	Priority 3
2018/01	ANA and Strategic Plan	N/A	N/A	N/A	N/A	N/A
2018/02	Annual Plan 2017/18	N/A	N/A	N/A	N/A	N/A
2018/03	Data Protection (Part 1)	Satisfactory	1	-	1	-
2018/04	Curriculum	Good	-	-	-	-
2018/05	Student Support	N/A	N/A	N/A	N/A	N/A
2018/06	Data Protection (Part 2)	Satisfactory	-	-	-	-
2018/07	Estates Strategy, Capital Projects and Building Maintenance	Satisfactory	4	-	2	2
2018/08	Procurement & Creditors / Purchasing	Good	1	-	-	1
2018/09	Follow-Up Reviews	N/A	5 of 13 recommendations required further action	-	1	4
2018/10	Business Development	Good	3	-	-	3

Overall 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.

Recommendation grades are defined as follows:

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.

3. Summary of Results and Conclusions

2018/01 – Audit Needs Assessment and Strategic Plan 2017 to 2020

Final Issued - February 2018

A comprehensive ANA, based on the areas of risk that the College is exposed to, was prepared in November 2017. A Strategic Plan to cover the three-year internal audit cycle was then formulated (refer paragraph 1.2 above).

2018/02 – Annual Plan 2017/18

Final Issued - February 2018

The purpose of this document was to present for consideration by management and the Audit Committee the annual operating plan for the financial period 2017/18. The plan was based on the allocation of audit days for 2017/18 set out in the Audit Needs Assessment and Strategic Plan 2017 to 2020.

2018/03 – Data Protection (Part 1)

A review was performed of the College’s preparedness for implementation of the GDPR, to ensure that processes and procedures would be in place by May 2018 to allow compliance with legislative requirements.

The table opposite notes each separate objective for this review and records our results.

Strengths

The College has developed a GDPR Preparation Work Plan and a limited number of activities are already completed or in progress, including:

- GDPR awareness training has been provided to the Senior Management Team (SMT) by way of internal and externally facilitated sessions;
- Establishment of a GDPR & Cyber Security Group;
- Further specific GDPR Foundation training provided to six members of staff;
- The Vice Principal of Resources and College Development has been appointed as the College lead for coordinating GDPR preparations and overseeing compliance with data protection legislation; and
- The College has agreed to participate in the Universities and Colleges Shared Service for providing a single appointed Data Protection Officer for the sector.

The College engaged with an external consultant to assist the GDPR & Cyber Security Group in undertaking a detailed data mapping exercise to allow a clearer understanding of data privacy risks.

Weaknesses

The additional areas that we identified were detailed in the main body of the report for consideration by the College as part of its preparations for implementation of the GDPR. These included cloud services and human resources.

Final Issued – February 2018

Overall grade: Satisfactory

The main objective of the audit was to ensure that:	
1. Appropriate action is being taken by the College to prepare for compliance with the GDPR from May 2018.	Satisfactory
Overall level of assurance	Satisfactory

2018/04 – Curriculum

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

The table opposite notes each separate objective for this review and records the results

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.

Final Issued – May 2018

Overall grade: Good

The main objective of the audit was to gain reasonable assurance that:	
1. The core College curriculum is aligned with national and regional priorities and the needs of regional industry, employers and individual learners	Good
2. There is a process in place to review and refresh existing programmes on a regular basis	Good
3. The College has exploited the potential of new technology in order to widen access to the curriculum and enhance the learner experience	Satisfactory
4. The curriculum planning process takes sufficient cognisance of the College’s share of the Region’s Credits target	Good
5. There are strong links between the curriculum planning process and workforce planning and budgeting	Good
Overall level of assurance	Good

2018/05 – Student Support (Business Process Review)

Final issued - May 2018

Overall grade: N/A

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.

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.

2018/06 – Data Protection (Part 2) Follow-Up

We performed a follow-up review of the College’s preparedness for implementation of the GDPR, to ensure that processes and procedures would be in place by 25 May 2018 to allow compliance with this.

The table opposite notes each separate objective for this review and records our results.

Final Issued – May 2018

Overall grade: Satisfactory

The main objective of the audit was to ensure that:	
1. Appropriate action is being taken by the College to prepare for compliance with the GDPR from 25 May 2018.	Satisfactory
Overall Level of Assurance	Satisfactory

2018/07 – Estates Strategy/Capital Projects/Building Maintenance

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 opposite notes each separate objective for this review and records our results:

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

- For the sample of four capital projects reviewed, there was not always evidence retained on file to confirm that all aspects of the College's Procurement Procedures had been followed. The development and completion of checklists setting out the key documents to be retained may assist in meeting this requirement; 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

Final Issued – September 2018

Overall grade: Satisfactory

The specific objectives of the audit were to obtain reasonable assurance that:	
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
2. The capital investment appraisal process, including the information provided to the Board of Management and committees for decision making purposes is robust.	Satisfactory
3. Risk management and contingency planning arrangements are in place for capital projects	Good
4. The selection and management of consultants and contractors, including the tendering process, is conducted in line with the College's procurement procedures	Satisfactory
5. Progress made on projects, and expenditure against budget, is monitored by management and Board committees	Good
6. Regular condition surveys are undertaken, and other good quality information is available, to inform asset management decisions	Good
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
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
Overall Level of Assurance	Satisfactory

2018/08 – Procurement and Creditors/Purchasing

This audit focused on the systems of internal control in place for the ordering of goods and services and the payment of invoices. Our work did not include a review of the selection and management of consultants and contractors, including the tendering process, for capital works as this was reviewed separately as part of the 2017/18 Internal Audit Annual Plan.

We also considered whether the procurement strategy followed and procedures in place support best value purchasing across the College in relation to non-pay spend.

The table opposite notes the objective for this review and records our results:

Strengths

- The College procurement guidance includes a strategy, policy, procedures and additional guidance for staff. From our review, we found each of these documents to be compliant with extant legislation and the College's Procurement Strategy is in line with guidance produced by the Scottish Government.
- The College makes use of resources, including staff, provided by APUC (Advanced Procurement for Universities and Colleges) to monitor areas of high spend, identify potential opportunities for pooling of expenditure as well as ensuring that tender procedures are conducted in accordance with procurement regulations and guidelines.
- The College makes regular use of framework and collaborative procurement agreements to which it has access. The College is a member of the Glasgow Regional Procurement Team, which enables the College to identify collaborative opportunities. We also noted from our sample testing that several National and APUC frameworks had been utilised by the College.
- From our testing of a sample of purchase orders we found that these had been appropriately authorised by staff members within their delegated approval limit.
- For a sample of supplier payment runs, we found that all had been authorised by the Finance Manager or Interim Finance Manager. We also identified that secondary checking of supplier payment listings was performed to ensure that invoices were genuine.
- Changes to supplier bank account details are checked with the suppliers by members of the Finance team. As a secondary check, the Finance Manager receives automatic updates of any changes to supplier payment details and carries out regular reviews of changes to supplier bank details.

Final Issued – November 2018

Overall grade: Good

The objective of this audit was to obtain reasonable assurance that:	
1. The College's Procurement Policy, Strategy and procurement guidance are comprehensive, kept up-to-date and in line with the Procurement Reform (Scotland) Act 2014 ('the Act') and The Procurement (Scotland) Regulations 2016 ('the Regulations').	Good
2. Procurement procedures ensure that: <ul style="list-style-type: none"> ◆ Areas of high spend across the College are monitored properly ◆ Opportunities for pooling of expenditure are identified in order to achieve best value ◆ Collaborative procurements and frameworks available to the College are utilised where appropriate 	Good
3. Purchase orders are completed for relevant purchases and are approved by members of staff with sufficient delegated authority prior to issue to suppliers, with the risk of unauthorised and excessive expenditure being minimised	Satisfactory
4. The College's procurement guidance on quotes and tenders are being complied with	Good
5. All liabilities are fully and accurately recorded	Good
6. All payment are properly authorised, processed and recorded	Good
7. Appropriate controls are in place over the amendment of standing supplier data on the finance system	Good
Overall Level of Assurance	Good

2018/08 – Procurement and Creditors/Purchasing (Continued)

Weaknesses

- We found that for six of our sample of 15 purchases tested there was no purchase order. These purchases related to items such as recurring payments for insurance, the recurring cost of a catering contract, the recurring costs of a maintenance contract and the payment of hotel accommodation costs where an agreed preferential rate was in place. From the testing conducted we are satisfied that in all cases examined there was a legitimate reason why there was no purchase order and in several cases the purchases were subject to separate SMT approval. All invoices must be authorised for payment by a member of staff with appropriate delegated purchasing authority if an authorised PO has not been raised. However, the current College guidance does not clearly describe the circumstances in which a purchase order is not required.
- A wider review of the purchase ledger data noted that there were a significant number of manual purchase orders that had not been processed through the College's e-procurement system PECOS or P2P (purchase to pay) module. The College has identified this as an issue and actions are planned to increase the number of purchase orders processed through PECOS and the new TechOne P2P ordering module which is currently being implemented.

2018/09 – Follow-Up Reviews 2017/18

Final Issued - September 2018

We carried out a follow-up review of the recommendations made in reports issued during 2017/18 and reports from earlier years that had either not already been subject to follow-up or where previous follow-up identified recommendations outstanding.

The objective of each of our follow-up reviews was to establish the status of implementation of recommendations made in previous internal audit reports.

The College had made progress in implementing previous internal audit recommendations, with eight of the 13 recommendations that were past their agreed completion date at the time of our follow-up review being categorised as ‘fully implemented’.

Our findings from each of the follow-up reviews have been summarised as follows:

<i>From Original Reports</i>	<i>From Follow-Up Work Performed</i>				
Area	Recommendation Grades	Number Agreed	Fully Implemented	Partially Implemented	Little or No Progress Made
Corporate Governance	Priority 1	-	-	-	-
	Priority 2	-	-	-	-
	Priority 3	9	6	3	-
Total		9*	6	3	-
Follow-Up Reviews 2016/17	Priority 1	-	-	-	-
	Priority 2	2	1	1	-
	Priority 3	2	1	1	-
Total		4	2	2	-
Grand Total		13	8	5	-
Percentage		100%	62%	38%	0%

* the Corporate Governance report also included seven recommendations that were to be integrated into the Board’s Development Plan and were not graded. Four of these recommendations have been assessed as ‘fully implemented’ and three as partial.

2018/10 – Business Development

This audit considered the key risks in relation to the College's commercial and external funding activities, excluding in the international market, which will be covered separately as part of the 2019/20 internal audit plan.

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

The table opposite notes the objective for this review and records our results:

Strengths

- A Business Development Strategy is in place, which is linked to the College Development Plan, and income generation activities are embedded within operational planning processes and are appropriately linked to the College's strategic planning process;
- The growth of commercial income is included within the Operational Plans which provides a focus for senior managers across the College on the importance of developing and maintaining commercial income streams;
- Senior staff are involved in reviewing the financial case for new commercial activities, which reduces the risk of errors in assumptions which may lead to ineffective pricing;
- Business cases and justifications are prepared for all new large commercial opportunities and external funding opportunities;
- The Business Development Team and senior curriculum staff are supported by the Senior Management Team and the Marketing Team in identifying and promoting commercial opportunities;
- The Business Development management team, SMT and Board members receive regular information on commercial and income generation activities, including a summary of financial performance; and
- There are formal mechanisms in place for obtaining and acting upon feedback received from customers, particularly employees.

Final Issued – September 2018

Overall grade: Good

The objective of this audit was to obtain reasonable assurance that:	
1. An effective strategic and operational planning process has been established, including identification of key markets and courses.	Good
2. There is appropriate support in place to identify and promote commercial and external funding opportunities.	Satisfactory
3. Key risks and opportunities are identified and mitigated / exploited.	Good
4. There is effective pricing in the market place and, with full cost recovery as the target and careful consideration being given to activity which does not meet this target.	Good
5. All Management information, including financial information on each specific activity, is adequate and easily accessible to all relevant staff.	Good
6. There is regular review of activities by the Board of Management and its committees.	Good
7. Feedback is sought from customers and acted upon.	Good
8. Appropriate systems and procedures are in place to manage intellectual property risks covering areas such as: ownership; identification; application approval; and maintenance.	Good
9. Adequate arrangements have been put in place to prevent and respond to external claims against the College for breach of contract and robust agreements are signed with partners.	Good
Overall Level of Assurance	Good

2018/10 – Business Development (Continued)

Weaknesses

- Our review identified a number of internal resource constraints which could limit the College's ability to fully exploit commercial, training and other external funding opportunities, including: a lack of dedicated employer engagement staff within the External Funding Unit; the workload of the College SDS Assessor which may limit the capacity to grow SDS activity; internal supply chain concerns regarding support to the External Funding Unit in certain curriculum sectors due to staffing constraints; and the College may need to re-design its approach to training delivery to reflect the growing demand for online training from customers and employers

4. Time Spent – Actual v Budget

	Report number	Planned days	Actual days feed	Days to fee at Nov. 2018	Days to spend / WIP	Variance
Student Experience						
<i>Curriculum</i>	2018/04	6	6			
<i>Student Support</i>	2018/05	5	5	-	-	-
Estates and Facilities						
<i>Building Maintenance) Estates Strategy/Capital Projects)</i>	2018/07	6	6		-	-
Financial Issues						
<i>Procurements and creditors/purchasing</i>	2018/08	5	5	-	-	-
Commercial Issues						
<i>Business Development</i>	2018/10	6	6			
Information and IT						
<i>Data Protection</i>	2018/03 & 2018/06	4	4	-	-	-
Other Audit Activities						
<i>Management and Planning) External audit) Attendance at audit committees)</i>	2018/01 & 2018/02	5	5	-	-	-
<i>Follow-up reviews</i>	2018/09	3	3	-	-	-
Total		40	40	-	-	-
		=====	=====	=====	=====	=====

5. Operational Plan for 2018/19

- 5.1 We were re-appointed in September 2017 as Internal Auditors for the period from 1 August 2017 to 31 July 2020 with an option to extend for a further 12 months. Following our re-appointment, we prepared an Audit Needs Assessment and Strategic Plan for 2017 to 2020 (internal audit report 2018/01, issued November 2017), which was presented to the Audit Committee, and approved by it, at its meeting on 22 November 2017.
- 5.2 The annual operating plan for 2018/19 shows one change to the allocation set out in the above Strategic Plan. A review of Student Welfare – Duty of Care (including Safeguarding) has been added at the request of the Audit Committee.
- 5.3 An extract from the revised Strategic Plan, in relation to 2018/19, is shown below.

Proposed Allocation of Audit Days 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 welfare – Duty of Care	Perf	H/M	4
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	
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 (incl. Regional Engagement)	Gov/Perf	M	4
Equalities	Gov	M	

Proposed Allocation of Audit Days 2018/19 (Continued)

	Category	Priority	Planned 18/19 Days
Information and IT			
<i>IT network arrangements</i>	Perf	H/M	
<i>Data protection</i>	Gov	H	
<i>FOI</i>	Gov	L	
<i>Systems development / implementation</i>	Perf	M	5
<i>IT strategy</i>	Perf	M	
Other Audit Activities			
Management and Planning)			5
External audit / SFC)			
Attendance at audit committees)			
Follow-up reviews		Various	3
Audit Needs Assessment			
Total			<u>44</u> =====

Key

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

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

AUDIT COMMITTEE

Date of Meeting	28 November 2018
Paper Title	College Strategic Risk Register
Agenda Item	18.52
Paper Number	18.52A
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 quarterly by College Senior Management.

4. RISK ANALYSIS

4.1 The College Strategic Risk Register as at 15 November 2018 is attached. There is only some minor changes to the narrative since last reported to the Board of Management in August, which are highlighted in red.

4.2 There are 12 risks on the College Strategic Risk Register and of these 1 risk is scoring as high after mitigating actions. This is 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.

4.3 Risk G1 – Failure to meet all legislative and regulatory requirements and/or recommended guidance has been amended to include reference to the

Modern Slavery Statement and College activity on safeguarding as discussed at the last Audit Committee meeting.

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

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 14th November 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 Timing - Short / Medium / Long Term	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	4	5	20	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 developed. ii) Continue to aim to inform and influence funding allocations through Principals' Forum, Glasgow Colleges Regional Board, MSPs, and other appropriate bodies. Final 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 Flexible Workforce Development Fund	3	4	12	F1	Medium	16	Decreased for 2018/19. Will increase in future.
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	Medium	10	No change
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	2	4	8	F3	Long	3	Increased for 2018/19 as start of new academic year

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 14th November 2018							
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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 Timing - Short / Medium / Long Term	Risk Score at last report to the Board	Risk Increasing/ Decreasing/ No Change
					Score Before Mitigating Actions			Score After Mitigating Actions							
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	Short	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	4	12	O2	Medium	15	Decreased
O3	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	O3	Medium	8	No change
O4	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 being completed at Anniesland summer 2018 vi) Mary Stuart building cladding report being prepared	2	4	8	O4	Medium	8	No Change

GLASGOW CLYDE COLLEGE - STRATEGIC RISK REGISTER					Key of abbreviations : SFC = Scottish Funding Council, GCRB = Glasgow Colleges Regional Board, GCG = Glasgow Colleges Group, SDS = Skills Development Scotland, ESF = European Social Fund, JISC = Joint Information Steering Committee			as at 14th November 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 Timing - Short / Medium / Long Term	Risk Score at last report to the Board	Risk Increasing/ Decreasing/ No Change
O5	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 and now to College although 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 significant dialogue ongoing with potential new lease holder and related legal documents prepared.	2	3	6	O5	Long	9	No Change
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	Medium	4	No Change
					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
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. Liaison with and maintaining ongoing dialogue with relevant bodies e.g. SFC, GCRB and Scottish Government. College ensure full knowledge and implementation of legislative, regulatory and guidance requirements including requirements of Financial Memorandum with GCRB 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) Modern Slavery statement in place vii) Safeguarding officers and safeguarding forum on each campus viii) Seek legal advice as required. ix) 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 x) Data Protection Officer in place to advise on General Data Protection Regulation	3	4	12	G1	Medium	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 committee 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	G2	Long	6	No change
G3	Failure to comply with Health and Safety requirements	Organisational	Goal 4 - Ensuring operational effectiveness and efficiency	Assistant Principal HR	2	5	10	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 iv) Full review of Health and Safety Policy and Procedures being undertaken	1	4	4	G3	Medium	4	No Change

AUDIT COMMITTEE MEETING

Date of Meeting	28 November 2018
Paper Title	2017/18 Student Activity Data Audit Report
Agenda Item	18.53
Paper Number	18.53A
Responsible Officer	Henderson Loggie, Internal Auditors
Status	Disclosable
Action	For Discussion

1 REPORT PURPOSE

The purpose of this report is to submit to the Committee for discussion the 2017/18 Student Activity Data Audit Report which has been produced by the College's Internal Auditors, Henderson Loggie.

2. RECOMMENDATION

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

3. BACKGROUND

It is a requirement that an audit of student activity data is completed each year for every college after the end of the academic session to verify student activity data against the SFC target. The report contains one priority three recommendation.

4. 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.

5. HAS AN EQUALITY IMPACT ASSESSMENT BEEN CARRIED OUT

N/A



Glasgow Clyde College

2017/18 Student Activity Data

Internal Audit Report No: 2018/12

Draft Issued: 10 October 2018

Final Issued: 12 October 2018

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1. Management Summary

Introduction

The Guidance Notes issued by the Scottish Funding Council (SFC) on 2 August 2018, '2017-18 data return for funding purposes (FES return) and audit guidance for colleges', requested submission by Glasgow Clyde College ('the College') of the FES return for session 2017/18, which includes the Credits data relating to College activity for the academic year 2017/18.

Guidance on completion of the 2017/18 return was issued by the SFC on 10 May 2017.

The Credits Audit Guidance requests that colleges obtain from their auditors their independent opinion on the accuracy of the FES return.

Scope of Audit

In accordance with the Credits Audit Guidance we reviewed and recorded the systems and procedures used by the College in compiling the returns and assessed and tested their adequacy. We carried out further detailed testing, as necessary, to enable us to conclude that the systems and procedures were working satisfactorily as described to us.

Detailed analytical review was carried out, including a comparison with last year's data, obtaining explanations for significant variations by Dominant Programme Group (DPG) and dominant Price Group.

Our testing was designed to cover the major requirements for recording and reporting fundable activity identified at Annex C to Credits Audit Guidance and the key areas of risk identified in Annex D.

Audit Staffing

An Audit Director with 25 years' experience in the further and higher education sectors had overall responsibility for the planning, control and conduct of the audit and supervised and reviewed work performed by an Assistant Manager and Trainee Auditor with 13 and one years' experience in the sector respectively.

The quality of audit work undertaken by the firm is enhanced through continuous review of procedures and the implementation of individual training programmes designed to address the needs of each team member.

The total number of audit days was 7, split ½ day for the Audit Director, four days for the Assistant Manager and 2½ days for the Audit Trainee.

Audit Findings

The points that we would like to bring to your attention have been grouped together under the following headings to aid your consideration of them:

- Introduction
- Systems and Procedures for Compilation of Returns
- Analytical Review

The action that we consider necessary on each issue is highlighted in the text for clarity and an action plan for implementation of these recommendations can be found in section 2.

To aid the use of the action plan, our recommendations have been graded to denote the level of importance that should be given to each one. These gradings are as follows:

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.

Conclusion

Our report to SFC was submitted on 10 October 2018 following receipt of the College certificate signed by the Principal. We reported that, in our opinion:

- the student data returns have been compiled in accordance with all relevant guidance;
- adequate procedures are in place to ensure the accurate collection and recording of the data; and
- on the basis of our testing we can provide reasonable assurance that the FES return contains no material mis-statement.

A copy of our Audit Certificate is included at Appendix I to this report.

Acknowledgements

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

2. Action Plan

Para Ref.	Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date
2.2.1	<p><i>Systems and Procedures for Compilation of Returns</i></p> <p>Allocation of Credits to Courses</p> <p>R1 The College should ensure that any changes to course content subsequent to the planning stage are reflected in the Credits claimed.</p>	3	We will introduce an additional check on subject credits vs portfolio teaching hours to attempt to ensure there are no discrepancies in future.	Y	Head of MIS, B Gallagher	December 2018

3. Main Report

1. Introduction

1.1 SFC Guidance

1.1.1 The Credits Audit Guidance issued by the Scottish Funding Council (SFC) on 2 August 2018 sets out, at Annex D, the key areas of risk in relation to the preparation of the FES return. These are:

- identification of non-fundable activity, both courses and students;
- classification as higher education or further education;
- classification as full-time or other than full-time;
- identification and counting of infill students;
- allocation of Credit values for students on ECDL courses;
- allocation of dominant Price Group code;
- capturing of enrolments and identification and recording of student attendance and withdrawals;
- allocation of Credit values;
- claims for related study;
- recording of fee waivers;
- recording of progress for students on open / distance learning programmes; and
- claims for collaborative provision.

1.1.2 For academic year 2017/18 we established that there had been no significant changes to the systems and procedures used in the compilation of the returns. We then carried out detailed testing, as necessary, to enable us to conclude that the systems and procedures were working satisfactorily. Detailed analytical review was carried out, including a comparison with last year's data, obtaining explanations for significant variations by Dominant Programme Group (DPG) and dominant Price Group.

1.1.3 As requested by the Credits Audit Guidance this report indicates: the scope of the audit; the approach taken; the extent of checking undertaken; details of any additional testing carried out as a result of errors found in initial sampling; the external data examined; an indication of analytical review work performed; and the main findings from our audit work. As requested by the guidance, the report includes a summary of adjusted and unadjusted errors found during the course of the audit.

2. Systems and Procedures for Compilation of Returns

2.1 Introduction

- 2.1.1 Detailed testing at the year-end Credits audit included two main tests on courses and individual students.
- 2.1.2 The following tests were carried out for a sample of 15 courses selected from the UNIT-e system:
- a) Ensured that the course met the criteria for fundable activity set out in the Credits guidance;
 - b) Where applicable, ensured that the course met the definition of further or higher education set out in the Credits guidance;
 - c) Ensured that courses recorded as full-time met the definition of full-time set out in the Credits guidance;
 - d) Checked the student total for a programme against course / class lists or course / class register. Checked calculation of the required date and ensured that students who had withdrawn prior to this date had been excluded from the Credits count; and
 - e) Checked allocation of Credits to courses is in accordance with the Credits guidance.
- 2.1.3 For a total of 81 students selected from the above courses the following tests were carried out, where applicable:
- a) Ensured that the student met the criteria for fundable activity set out in the Credits guidance;
 - b) Checked back to signed enrolment forms, or electronic equivalent, for the 2017/18 academic year;
 - c) For infill courses, ensured that Credits were allocated according to the modules attended by individual students rather than by the default value for the courses being infilled; and
 - d) Checked to student attendance records and, for withdrawals (including a further sample of 15 full-time students who withdrew within two weeks after the Credits qualifying date), checked that the withdrawal date noted on the system was the last date of physical attendance.
- 2.1.4 The following tests were carried out by reviewing records for all College courses:
- a) Confirmed that there were no claims for more than one full-time enrolment per student for 2017/18 and ensured that Credits had not been claimed in respect of courses that were related in respect of subject area, unless progression could be clearly established;
 - b) Confirmed that there were no claims for overseas students and students enrolled on full cost recovery commercial courses; and
 - c) Confirmed that Credits had not been claimed for distance learning student's resident out-with Scotland.

2. Systems and Procedures for Compilation of Returns (Continued)

2.1 Introduction (Continued)

- 2.1.5 In relation to European Social Funds (ESF), for a sample of 10 students selected from the College's ESF funded programmes testing was carried out on the College's systems for administering the additional funding, in line with conditions of grant. This included:
- a) reviewing the eligibility of students flagged for ESF Credits;
 - b) ensuring that supporting documentation was held for ESF students, including: a completed participant form; proof of nationality; and proof of permanent residence; and
 - c) ensuring that Credits are only claimed for completed modules.
- 2.1.6 We reviewed the systems for recording fee waiver entitlement and carried out an analytical review to ensure the accuracy of the fee waiver element of the FES return. For a random sample of seven part-time students we confirmed that College staff had verified the entitlement to benefit.
- 2.1.7 It was confirmed by the Head of MIS that the College is not involved in any collaborative provision and no such courses were identified during our audit testing. Additionally, we did not identify any Open / Distance learning and ECDL courses in the Credits claim as the College offered these as commercial courses only. No further work was therefore required in these areas.
- 2.1.8 Before signing our audit certificate, we reviewed the final FES online report and the explanations for remaining errors.
- 2.1.9 From our review and testing of the systems and procedures used in the compilation of the returns, we concluded that overall, they were adequate to minimise risk in the areas identified in Annex D of the Credits Audit Guidance and were working satisfactorily as described to us.
- 2.1.10 The remainder of this report discusses issues identified during our review of the 2017/18 student activity data.

2.1 Maximum Credits Claim per Student

- 2.1.1 Since 2016/17 a new process has been in place for agreeing the number of Credits claimed for programmes above 18 Credits for further education programmes or 15 Credits for higher education programmes, known as 'one plus' activity. The guidance states that if the total one plus activity is over 2.5% of the total volume of Credits allocated to the college (or the region for multi-college regions) by the SFC then an application must be made to the SFC to approve delivery of these courses at the higher credit value. Courses where industry requires a higher level of engagement are excluded from this calculation.
- 2.1.2 The final FES summary report highlights 68 instances where student Credits were above 15 for a full-time higher education course and 163 instances where student Credits were above 18 for a full-time further education course. The College's total one plus activity was calculated by the College as 1.7% of the target delivery, which is below the threshold. The final regional position had still to be confirmed at the date of this report.

2. Systems and Procedures for Compilation of Returns (Continued)

2.2 Allocation of Credits to Courses

2.2.1 Whilst reviewing one ESOL Price Group 5 course we noted that whilst the planned learning hours per student recorded within UNIT-e agreed to the information that was recorded on the supporting curriculum planning documents, this was not reflected in the actual timetabled activity. Planned hours per UNIT-e were shown as 800, equivalent to 20 Credits, however timetabled activity showed that 640 hours, equivalent to 16 Credits, were associated with the delivery of the course. This gave rise to an over-claim of four Credits per student, 88 Credits in total for the course, which has been adjusted.

Recommendation

R1 The College should ensure that any changes to course content subsequent the planning stage are reflected in the Credits claimed.

2.2.2 A review of other ESOL Price Group 5 programmes was performed and no further issues were identified. Our audit sample of courses included one other Price Group 5 course and no similar issues were noted. From this other work and discussion with management we are satisfied that this was a one-off error.

3. Analytical Review

3.1 The analytical review by DPG for the current year, included at Appendix III of this report, showed significant variances in DPG 4, 5, 8, 10, 13, 14 and 16. Analytical review by dominant Price Group at Appendix II also showed significant variances in Price Group 2. These were discussed with College management. The explanations we received provided us with additional assurance that the Credits claim does not contain material errors:

- DPG 4 Computers, software & information – there was a reduction due to one group, BA Graphics, moving to DPG 11 (Printing) due to change in mix of options units. There was also a reduction in computing delivery, particularly in networking and in schools' delivery due to a lower number of applications;
- DPG 5 Construction – there was an increase linked to the recovery in the construction industry leading to more demand and better recruitment, particularly in Advanced Painting and Decorating and Carpentry and Joinery programmes;
- DPG 8 Health & related studies – there was an increase due to additional recruitment in 2017/18 to meet the national target for Childcare provision. This is reflected in the increase in Price Group 2 Credits;
- DPG 10 Personal development & self-help – there was an increase in ESOL transitions provision in 2017/18, which is reflected in the increase in Price Group 2 Credits;

3. Analytical Review (Continued)

- DPG 13 Office & Secretarial – there was a decrease due to contraction of Administration and Medical Administration programmes at Anniesland campus;
- DPG 14 Social studies & languages – there was an increase due to expansion in ESOL provision up to SCQF level 5. This is reflected in the increase in Price Group 2 Credits; and
- DPG 16 Sport & leisure – there was reduced demand for Hospitality programmes which allowed for additional capacity in Travel and Tourism which recruited strongly. A Football Coaching NQ programme was also added in 2017/18. Both are reflected in the increase in Price Group 2 Credits.

Appendix I – Copy of Audit Certificate

si/G366

Scottish Funding Council
Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD

10 October 2018

Dear Sirs

Auditor's Report to the Members of the Board of Management of Glasgow Clyde College

We have audited the FES return which has been prepared by Glasgow Clyde College under the 'Credits' Guidance issued 10 May 2017 and which has been confirmed as being free from material mis-statement by the College's Principal in his Certificate dated 8 October 2018. We conducted our audit in accordance with guidance contained in the 2017-18 audit guidance for colleges. The audit included an examination of the procedures and controls relevant to the collection and recording of student data. We evaluated the adequacy of these controls in ensuring the accuracy of the data. It also included examination, on a test basis, of evidence relevant to the figures recorded in the student data returns. We obtained sufficient evidence to give us reasonable assurance that the returns are free from material mis-statement.

In our opinion:

- the student data returns have been compiled in accordance with all relevant guidance;
- adequate procedures are in place to ensure the accurate collection and recording of the data; and
- on the basis of our testing we can provide reasonable assurance that the FES return contains no material mis-statement.

Yours faithfully

Henderson Loggie

Date:

10 October 2018

Appendix II – Summary of Adjusted and Unadjusted Errors

Report Para	Error identified	Adjusted/unadjusted	Approx. Value
2.2.1	Incorrect planned learning hours used for a Price Group 5 course.	Adjusted	-88 Credits

College Funded Target 2017/18 128,683 Credits

The above target figure includes 121,364 core Credits and 7,319 ESF.

Final claimed 2017/18 130,030 Credits

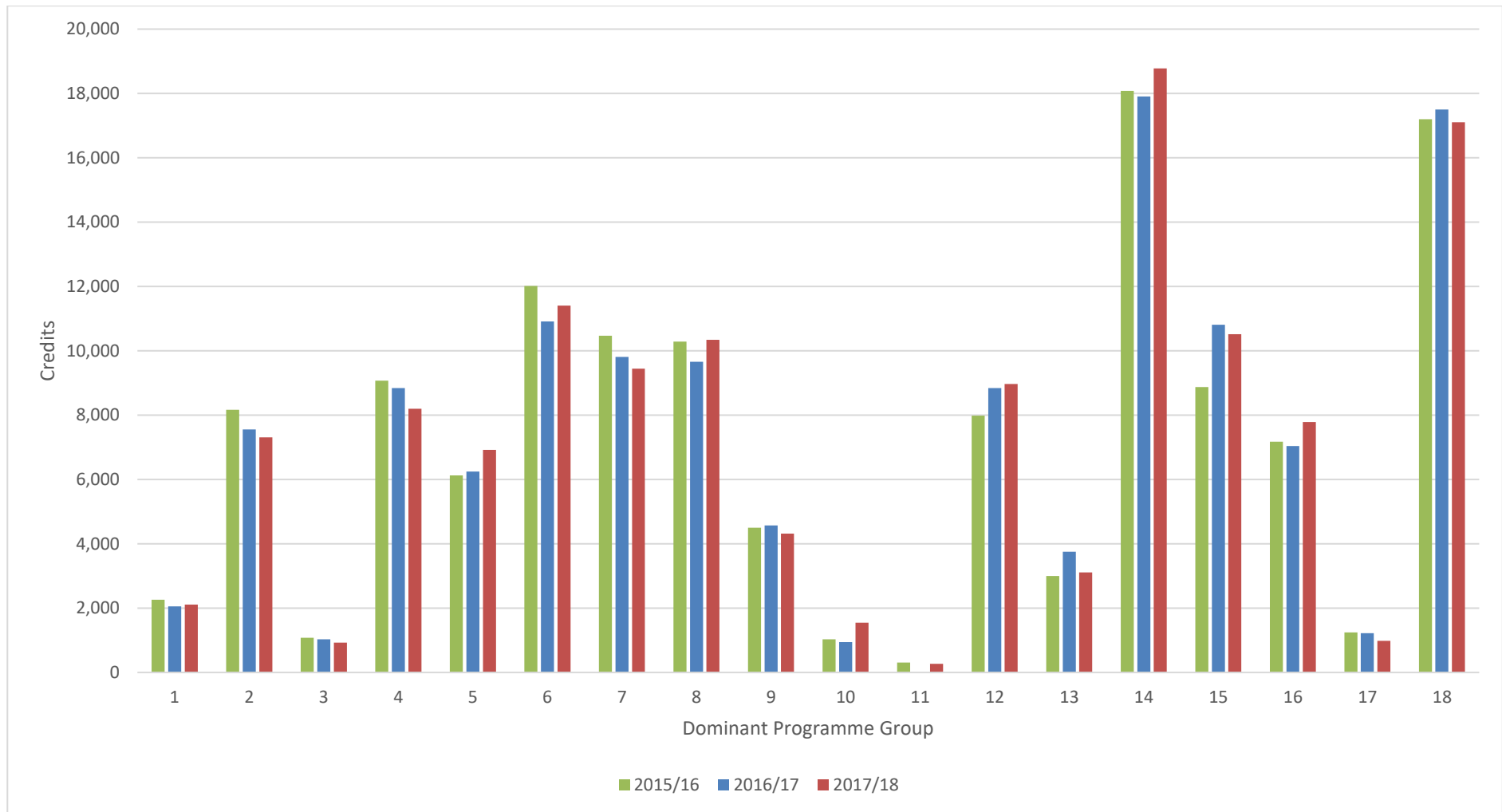
Appendix III – Price Group Analytical Review 2016/17 and 2017/18

Price Group	2016/2017	2017/2018	Credits	%
	Credits	Credits	Variance	Variance
1	17,606	17,495	(111)	(0.63)
2	68,955	70,800	1,845	2.68
3	22,751	22,881	130	0.57
4	1,880	1,752	(128)	(6.81)
5	17,504	17,102	(402)	(2.30)
	<u>128,696</u>	<u>130,030</u>	<u>1,334</u>	<u>1.04</u>

Appendix IV – DPG Analytical Review 2016/17 and 2017/18 - Figures

Dom Gp		<u>2016/2017</u>	<u>2017/2018</u>	Credits Variance	% Variance
1	Agriculture, horticulture and animal care	2,058	2,108	50	2.43
2	Business & management	7,555	7,310	(245)	(3.24)
3	Catering & food	1,027	924	(103)	(10.03)
4	Computers, software & information	8,840	8,197	(643)	(7.27)
5	Construction	6,245	6,918	673	10.78
6	Creative arts & design	10,912	11,408	496	4.55
7	Engineering	9,812	9,444	(368)	(3.75)
8	Health & related studies	9,661	10,344	683	7.07
9	Minerals, materials & fabrics	4,572	4,318	(254)	(5.56)
10	Personal development & self help	940	1,547	607	64.57
11	Printing	0	270	270	-
12	Science & maths	8,841	8,966	125	1.41
13	Secretarial / office & sales work	3,753	3,111	(642)	(17.11)
14	Social studies & languages	17,900	18,782	882	4.93
15	Social work	10,812	10,516	(296)	(2.74)
16	Sport & leisure	7,042	7,784	742	10.54
17	Transport, services & vehicle engineering	1,222	981	(241)	(19.72)
18	Special educational needs	17,504	17,102	(402)	(2.30)
	Totals (excluding ELS)	<u>128,696</u>	<u>130,030</u>	<u>1,334</u>	<u>1.04</u>
	Total Target Activity		128,683		
	- including ESF Target Activity of:		7,319		
	ESF Actual Activity		7,333		

Appendix V – DPG Analytical Review 2015/16 to 2017/18 - Graph



AUDIT COMMITTEE MEETING

Date of Meeting	28 November 2018
Paper Title	2017/18 Student Support Funds Audit Reports
Agenda Item	18.54
Paper Number	18.54A1, 18.54A2, 18.54A3, 18.54A4
Responsible Officer	Henderson Loggie, Internal Auditors
Status	Disclosable
Action	For Discussion

1 REPORT PURPOSE

The purpose of this report is to submit to the Committee for discussion the 2017/18 Student Support Funds Audit Report. This report has been produced by the College's Internal Auditors, Henderson Loggie.

2. RECOMMENDATION

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

3. BACKGROUND

3.1 There are four student support funds which Glasgow Clyde College administers on behalf of others and these are bursary funding, childcare funding, discretionary funding and educational maintenance allowances.

3.2 The student support funds represent a substantial amount of funding which is allocated to students by the College on behalf of various bodies following their relevant guidance and national policies. Each of the funds needs to be fully accounted for and audited for each academic year. For the bursary, further education discretionary funding, and childcare funding, the Scottish Funding Council (SFC) provided an allocation for the academic year which totalled £9.5Million for Glasgow Clyde College students for 2017/18. The Higher Education discretionary funding is allocated by the Student Awards Agency for Scotland (SAAS) and was £317k for Glasgow Clyde College students for the academic year 2017/18. Educational maintenance allowances are claimed retrospectively from SFC based on actual sums paid to students.

3.3 The audit report indicates that Henderson Loggie were able to certify all fund statements for the year and submit them to the appropriate bodies without qualification. The related auditor letters and supporting returns are included as appendices to the report.

3.4 There is one medium risk priority two recommendation and one low risk priority three recommendation outlined in the report which have been accepted by management. The latest date for implementation of the recommendations is November 2018.

4. 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.

5. HAS AN EQUALITY IMPACT ASSESSMENT BEEN CARRIED OUT

N/A



Glasgow Clyde College

**Student Support Funds
2017/18**

Internal Audit Report No: 2018/13

Draft Issued: 13 November 2018

Final Issued: 15 November 2018

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1. Management Summary

Introduction

Colleges receive **Discretionary Funds** from the Scottish Funding Council (SFC) and the Student Awards Agency for Scotland (SAAS) to provide financial help for students where access to, or continuance in, further or higher education would otherwise be denied due to financial hardship. The maximum payable from the Further Education Discretionary Fund is £4,000, increased from £3,500 last year, and the maximum payable from the Higher Education Discretionary Fund is also £4,000.

Childcare Funds sit alongside the Discretionary Funds to provide assistance with the cost of formal childcare expenses. From academic year 2011/12, childcare funds for higher education students formerly allocated to colleges by SAAS, were transferred to the SFC who now allocates childcare funding direct to colleges for all eligible further and higher education students. No limit is placed on the amounts individuals can access and colleges have the flexibility to determine award levels themselves. Priority must however be given to lone parents, part-time students and mature students when allocating funds from the Further Education Childcare Fund.

The Discretionary and Childcare Funds must be administered, and payments made, in accordance with SFC and SAAS guidelines.

Bursary funds are given to students at the discretion of a college to help maintain that student in their education beyond their compulsory school leaving date. An award can include allowances that cover a student's maintenance, travel and study costs. Colleges can also use bursary funds for allowances to cover costs incurred by a student due to an additional home, their dependants and / or special education needs.

Colleges must apply the terms of the National Policy for Further Education Bursaries, together with applicable legislation and supplementary letters issued by the SFC, when using the funds allocated to them for bursary purposes. The policy sets out the minimum criteria, maximum rates and minimum contribution scales that a college must apply in allocating bursary funds, however, a college may vary the terms of the policy by imposing additional eligibility criteria or conditions. Figures used within the policy to calculate a student's award may be varied, but only in order to reduce the value of an award, although where a college chooses to supplement bursary funds from its own resources it may use the additional resources as it sees fit.

Education Maintenance Allowances (EMAs) provide financial support for 16 to 19 year-olds from low income households who are attending non-advanced full-time education at school, college or are home educated. Eligible students receive £30 per week, which is targeted at young people from the lowest income families.

EMAs must be administered, and payments made, in accordance with SFC and Scottish Government guidelines.

Audit Scope

For the 2017/18 academic year three specific fund statements were required for audit:

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

Audit Objectives

The audit objectives were to ensure that:

- The College complies with the terms, conditions and guidance notes issued by SFC, SAAS and the Scottish Government;
- Payments to students are genuine claims for hardship, bursary or EMA, and have been processed and awarded in accordance with College procedures; and
- The information disclosed in each of the returns for the year ending 31 July 2018, is in agreement with underlying records.

Audit Approach

The audit approach included:

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

Audit guidance issued by the SFC was utilised.

Action Plan

The action that we consider necessary on each issue is highlighted in the text for clarity and an action plan for implementation of these recommendations can be found in section 2.

Action Plan (Continued)

To aid the use of the action plan, our recommendations have been graded to denote the level of importance that should be given to each one. These gradings are as follows:

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.

Findings and Conclusions

We were able to certify all fund statements for the year and submit these to the appropriate bodies, without qualification.

Copies of the fund statements and audit certificates are provided at appendices I to III of this report.

As part of our testing we discussed one point with management in relation to the College's Student Attendance Policy. The Bursary and EMA guidance require students to have 100% attendance before awards are made although allowance is made for authorised absence. The College's Student Attendance Policy makes clear that 100% attendance is required although students are given an 'allowance' of 10 absences from August to December and January to June that can be used where they are unable to attend their timetabled class, and no paperwork (e.g. self-certificate) is required to be provided. Any absence that exceeds the allowance of 10 is counted as unauthorised and the student award is reduced or withdrawn. Whilst both the Bursary and EMA guidance allow some flexibility for colleges to apply their own policy and use their own discretion in determining authorised absences, the EMA guidance does recommend that if a student is absent due to ill health for up to five consecutive working days a letter from the parent / guardian / carer should be submitted to confirm the absence. Beyond the normal five working days a medical certificate should be produced. It should be noted that, from 2018/19 the Bursary guidance has been updated to move away from the 100% attendance requirement to making payments on the basis that students appropriately engage in their studies.

We discussed with College management whether the College should give further consideration to the recommendation made in the EMA guidance on self-certificates and reflect this in College policy. Management advised that all students are expected to adhere to the College's attendance guidelines regardless of whether they are entitled to funding or not, which ensures that students are treated fairly and there is no additional requirement for self-certificates to be submitted solely for EMA students. Management reiterated that the EMA Guidance indicates that institutions can apply discretion and should align their attendance with existing Bursary Guidance.

Findings and Conclusions (Continued)

We noted one student in our Bursary sample who had withdrawn on 14 November 2017 however had continued to receive payments until 23 January 2018. This was due to academic staff not processing the withdrawal timeously resulting in delays in notifying student funding staff. The College is seeking repayment of £1,098 from the student. One student in our Childcare sample had also withdrawn from their course and received a further three instalments totalling £1,620 prior to payments being stopped.

Recommendation

R1 The process for notifying student funding staff of student withdrawals should be reviewed to ensure that any delays are minimised.

In our Further Education Discretionary Fund sample two students had received payments from the fund without a specific fund application being completed. Both were Bursary students and one was given £200 from the Discretionary Fund towards a trip and the other received £50 as a reward for their good attendance. We understand that this scheme aims to encourage students to stay for the full duration of the course.

Recommendation

R2 The College should ensure that a specific fund application form is completed for all students supported by the Further Education Discretionary Fund.

Progress made in implementing the two recommendations raised in Internal Audit Report 2017/11 – Student Support Funds 2016/17 (issued November 2017) was considered as part of our testing for 2017/18 and results are reported in the updated action plan at Appendix IV. We did not find any similar issues during our audit testing this year and have concluded that both recommendations have now been fully implemented.

Acknowledgements

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

2. Action Plan

Page Ref.	Recommendation	Grade	Management Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date
3	R1 The process for notifying student funding staff of student withdrawals should be reviewed to ensure that any delays are minimised.	2	<p>Attendance Guidance has been updated for 2018/19 to reflect the changes in the SFC policies. This guidance included a reminder on timeous withdrawals and this has been issued to Lecturing Staff and Faculty Administrators.</p> <p>Bursary instalments have also been changed to be paid fully 2 weeks in arrears from session 2018/19 in order to reduce the possibility and level of any overpayment.</p>	Y	Student Funding Manager	November 2018
4	R2 The College should ensure that a specific fund application form is completed for all students supported by the Further Education Discretionary Fund.	3	<p>All required information was previously gathered through student’s Bursary applications.</p> <p>All students applying to the Discretionary Fund will be required to submit an application form for session 2018/19.</p>	Y	Student Funding Manager	November 2018



Appendix I

Further Education Discretionary Fund, Further and Higher Education Childcare Fund and Bursary Return and Audit Certificate



Appendix II

**Higher Education Discretionary Fund Return
and Audit Certificate**



Appendix III

**Education Maintenance Allowance Return
and Audit Certificate**

Appendix IV – Updated Action Plan – Student Support Funds 2016/17

Recommendation	Grade	Management Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress at September 2018
R1 Review the salary rate used to charge time spent by classroom assistants to the bursary fund and ensure that this covers the salary costs of the staff concerned, but does not include a contribution to College overheads, which are covered by core grant received.	2	The College has revised the hourly rate charged to the bursary fund to exclude any contribution to College overheads.	Y	Student Funding Manager	November 2017	The hourly rate has been revised for 2017/18 – no issues noted during our audit testing. Fully Implemented
R2 Review the process for identifying the hours of support provided to students by classroom assistants to ensure that this provides a robust audit trail and is consistent across the College. This could include the introduction of a standard template for use across the College.	2	The College will develop a standard template for recording the hours of support provided to students by classroom assistants to ensure consistency across the College.	Y	Student Funding Manager	December 2017	Records of hours of support provided by classroom assistants were available for our sample of items tested - no issues noted during our audit testing. Fully Implemented

Our ref: si/G366
Your ref:

Scottish Funding Council
Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD

24 October 2018

Dear Sirs

**Glasgow Clyde College
Discretionary Fund, Childcare Fund and Bursary Return 2017/18**

On behalf of our above named client, we enclose the audited Discretionary Fund, Childcare Fund and Bursary Return for the academic year 2017/18.

For information, we would point out that there are immaterial rounding differences on the FES student support funding report. Through discussion with Kenny Wilson we understand that the SFC is fully aware of these differences, which also occur for other colleges, and we have not included an observation or reservation in our auditor's report.

Should you have any queries regarding the enclosed please do not hesitate to contact us.

Yours faithfully

Henderson Loggie

Henderson Loggie

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Edinburgh 6

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college=1003453 - Glasgow Clyde College report=Student Support Funding

College Name:	Glasgow Clyde College	College Contact:	Michael Lang
College Number:	1003453	Phone Number:	0141 272 3670
1st August 2017 - 31st July 2018			
	(AAC 1)	(AAC 2)	(AAC 3)
Bursary Funds Expenditure	Students under 18	Parentally Supported	Self Supporting
	Headcount	Expenditure (£)	Headcount
	Expenditure (£)	Expenditure (£)	Expenditure (£)
Maintenance Costs			
At Parental Home	3	2897	1023
Away from Parental Home	0	0	0
Approved Accomodation or Lodgings	0	0	0
Personal Allowance	0	0	0
Dependents Allowance	0	0	0
Study Expenses	596	117192	1006
Travel Expenses	544	238706	827
Special Educational Needs	40	19979	102
Total Bursary	669	373753	1143
Total Bursary Fund Spend	3247	7180871	[ESF Students to be included in all tables]
(AAC 1+2+3)			
Discretionary Fund & Childcare Fund Expenditure			

	Headcount	Expenditure (£)		
Total FE Discretionary Fund	1257	607378		
Total FE Childcare Fund	346	1138998		
Total HE Childcare Fund *	148	508696		
* UHI partner colleges to manually enter data on the CSV version of this report.				
	Part-time		Full-time	
	Headcount	Expenditure (£)	Headcount	Expenditure (£)
FE childcare, lone parent	53	120587	146	539144
FE childcare, other	48	145480	100	333787
HE childcare, lone parent	2	6175	87	303219
HE childcare, other	0	0	59	199302
We have examined the books and records of the above college and have obtained such explanations and carried out such tests as we consider necessary.				
On the basis of our examination and the explanations given to us, we report that the information set out in these forms is in agreement with the underlying records.				
We also report that in our opinion, the college used these funds in accordance with the Scottish Funding Council conditions.				
We are satisfied that the systems and controls of the administration and disbursement of these funds are adequate. * Delete if not applicable.				
PLEASE RETURN AN ELECTRONIC AND SIGNED PAPER COPY OF THIS FORM TO THE SCOTTISH FUNDING COUNCIL.				
Principals Signature				

Auditors Name (in printed capitals) HENDERSON LOGGIE

Auditors Signature..... Henderson Loggie

Date of Signature..... 24 OCTOBER 2018

Our ref: si/G366
Your ref:

Scottish Funding Council
Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD

24 October 2018

Dear Sirs

**Glasgow Clyde College
Discretionary Fund, Childcare Fund and Bursary Return 2017/18**

On behalf of our above named client, we enclose the audited Discretionary Fund, Childcare Fund and Bursary Return for the academic year 2017/18.

For information, we would point out that there are immaterial rounding differences on the FES student support funding report. Through discussion with Kenny Wilson we understand that the SFC is fully aware of these differences, which also occur for other colleges, and we have not included an observation or reservation in our auditor's report.

Should you have any queries regarding the enclosed please do not hesitate to contact us.

Yours faithfully

Henderson Loggie

Henderson Loggie

Enclosure

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college=1003453 - Glasgow Clyde College report=Student Support Funding

College Name:	Glasgow Clyde College		College Contact:	Michael Lang	
College Number:	1003453		Phone Number:	0141 272 3670	
1st August 2017 - 31st July 2018					
	(AAC 1)	(AAC 2)	(AAC 3)		
Bursary Funds Expenditure	Students under 18	Parentally Supported	Self Supporting	Headcount	Expenditure (£)
Maintenance Costs	Headcount	Expenditure (£)	Headcount	Expenditure (£)	Headcount
At Parental Home	3	2897	1023	2435065	0
Away from Parental Home	0	0	0	0	971
Approved Accomodation or Lodgings	0	0	0	0	0
Personal Allowance	0	0	0	0	0
Dependents Allowance	0	0	0	0	0
Study Expenses	596	117192	1006	155644	1302
Travel Expenses	544	238706	827	362198	1160
Special Educational Needs	40	19979	102	72356	100
Total Bursary	669	373753	1143	3025477	1438
Total Bursary Fund Spend	3247	7180871	[ESF Students to be included in all tables]		
(AAC 1+2+3)					
Discretionary Fund & Childcare Fund Expenditure					

	Headcount	Expenditure (£)		
Total FE Discretionary Fund	1257	607378		
Total FE Childcare Fund	346	1138998		
Total HE Childcare Fund *	148	508696		
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HE childcare, other	0	0	59	199302
We have examined the books and records of the above college and have obtained such explanations and carried out such tests as we consider necessary.				
On the basis of our examination and the explanations given to us, we report that the information set out in these forms is in agreement with the underlying records.				
We also report that in our opinion, the college used these funds in accordance with the Scottish Funding Council conditions.				
We are satisfied that the systems and controls of the administration and disbursement of these funds are adequate. * Delete if not applicable.				
PLEASE RETURN AN ELECTRONIC AND SIGNED PAPER COPY OF THIS FORM TO THE SCOTTISH FUNDING COUNCIL.				
Principals Signature				

Auditors Name (in printed capitals) HENDERSON LOGGIE

Auditors Signature..... Henderson Loggie

Date of Signature..... 24 OCTOBER 2018

Our ref: si/G366
Your ref:

Student Awards Agency for Scotland
Saughton House
Broomhouse Drive
Edinburgh
EH11 3UT

31 October 2018

Dear Sirs

Glasgow Clyde College
Higher Education Audited Fund Accounts Return 2017/18

On behalf of our above named client, we enclose the audited HE Fund Accounts Return for the academic year 2017/18.

Should you have any queries regarding the enclosed please do not hesitate to contact us.

Yours faithfully

Henderson Loggie

Henderson Loggie
Dundee Office

Enclosures

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AUDITED FUND ACCOUNTS RETURN 2017/18

Income and Expenditure

INSTITUTION

Glasgow Clyde College

Undergraduate Discretionary Fund £	Postgraduate Discretionary Fund £	TOTAL £
298,324.00		298,324.00
19,000.00		19,000.00
-		-
317,324.00	-	317,324.00

INCOME

- a Initial allocation received for the academic year 2017/18
- b Supplementary allocation received in January 2018
- c Bank interest received in the academic year 2017/18
- d Previous year's short-term loans repaid in the academic year 2017/18
- f Total funds available for disbursement (a+b+c+d)=i

Check

EXPENDITURE

- g Funds disbursed (=grand total of k from Report on Funds Expenditure)
- h Funds to be returned to SAAS by 31 October 2018
- i Total disbursement of funds (g+h)=f

SIGNED:

JON VINCENT
(Principal)

SIGNED:



DATE:

26/10/18

AUDITOR'S REPORT

We have examined the books and records of the above institution and have obtained such explanations and carried out such tests as we considered necessary. On the basis of our examination and of the explanations given to us we report that *(subject to the reservations set out in our letter dated [redacted] which is attached) the information set out above is in agreement with the underlying records and in our opinion is in accordance with the relative statutory requirements. We are satisfied that the systems and controls of the administration and disbursement of these funds are adequate, and that an interest bearing account or accounts was in operation for the Funds which are separate from the Institution's account.

* Delete if not applicable

APPOINTED AUDITOR:

Henderson Loggie

DATE:

31 October 2018

AUDITED FUND ACCOUNTS RETURN 2017/18

Report on Funds Expenditure

INSTITUTION

Glasgow Clyde College

	Undergraduate Discretionary Fund		Postgraduate Discretionary Fund		TOTAL
	Full Time	Part Time	Full Time	Part Time	
	£	£	£	£	£
a General living expenses	286,886.40	150.00			287,036.40
b Travel		163.30			163.30
c Childcare	20,783.30				20,783.30
d Bursary /scholarship					-
e Short-term loans not repaid in the academic year					-
f Disability diagnosis costs					-
g Equipment					-
h Audit					-
i Advertising and publicity					-
j Other administration costs					-
k Total (= grand total of (g) from the Income & Expenditure accounts return)	307,669.70	313.30	-	-	307,983.00

Check

NAME: *Jon Vincent*
(Principal)

SIGNED: 

DATE: 26/12/18

Report on Student Numbers

INSTITUTION Glasgow Clyde College

	Full Time	Part Time	Full Time	Part Time	TOTAL
	Undergraduate Discretionary (Full)	Part Time	Postgraduate Discretionary (Full)	Part Time	
a	320	2			322
b	320	2			322
c					

- SUMMARY OF STUDENT NUMBERS**
- a Total number of students applying for assistance (= b+c)
 - b Total number of students assisted
 - c Total number of students refused assistance (= a-b)

	Full Time	Part Time	Full Time	Part Time	TOTAL
d	300	1			310
e					
f	11				11
g					
h					
i					
j					

- DETAIL OF STUDENT NUMBERS**
- d General living expenses
 - e Travel
 - f Childcare
 - g Bursary scholarship
 - h Short term loans not repaid in the academic year
 - i Disability diagnosis costs
 - j Equipment

	Full Time	Part Time	Full Time	Part Time	TOTAL
k					
l					

- SHORT-TERM REPAYABLE LOANS > £500 WRITTEN OFF**
- k Number of short term loans over £500 written off in the year
 - l Monetary value of short term loans over £500 written off in the year

NAME: JOO VINCENT
 POSITION: 
 SIGNED:  DATE: 26/10/18

Please note, a student may be included in more than one category therefore the total number of students included may not equal the sum of students shown in individual categories.

College: Glasgow Clyde
AY 2017-18


College	Full Time students		Part Time Students		Total Maintenance	Admin Claim (Jan, Feb, July)	Headcount (Oct)	Notes	Maintenance					Administration				Total EMA Spend (= V+Z)					
	No of claims FT	Total maintenance FT	No of claims PT	Total maintenance PT					College Maintenance Adjustment	SubTotal Maintenance (=G+L)	Balance of funds B/F from AY 2016-17 confirmed in year end statement	Funds Remaining after adjustment (L+O)	Final total of funds to be paid	Upfront Payment 2017-18	Recovery of upfront Payment	Balance to be paid	Total EMA Maintenance		College Administration Adjustment	Annual Admin payment to be made 2017	Total EMA Admin (=G+X+Y)		
June 2017	1,200	£36,000	0	£0	£36,000	£0	0		£0	£36,000	£0	£36,000	£32,000	£0	£0	£0	£0	£0	£0	£0	£0	£68,000	
July 2017	0	£0	0	£0	£0	£0	0		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	
August 2017	0	£0	0	£0	£0	£0	0		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	
September 2017	832	£24,960	0	£0	£24,960	£0	0		£0	£24,960	£0	£24,960	£0	£0	£0	£0	£0	£0	£0	£0	£0	£24,960	
October 2017	1399	£41,970	0	£0	£41,970	£0	321		£0	£41,970	£0	£41,970	£0	£0	£0	£0	£0	£0	£0	£0	£0	£41,970	
November 2017	1480	£44,400	0	£0	£44,400	£0	0		£0	£44,400	£0	£44,400	£0	£0	£0	£0	£0	£0	£0	£0	£0	£44,400	
December 2017	1546	£46,380	0	£0	£46,380	£0	0		£0	£46,380	£0	£46,380	£0	£0	£0	£0	£0	£0	£0	£0	£0	£46,380	
January 2018	1136	£34,080	0	£0	£34,080	£5,985	0	Additional funds for FY 2017-18 based on average claims Feb-Mar 2016 & 2017 less up-front payments for AY 2017-18	£80,825	£114,905	£0	£114,905	£80,825	£0	£0	£0	£0	£0	£0	£0	£5,985	£120,890	
February 2018	1516	£45,480	0	£0	£45,480	£0	0		£0	£45,480	£0	£45,480	£0	£-45,480	£0	£0	£0	£0	£0	£0	£0	£0	
March 2018	1547	£46,410	0	£0	£46,410	£0	0		£0	£46,410	£0	£46,410	£0	£-46,410	£0	£0	£0	£0	£0	£0	£0	£0	
April 2018	713	£21,390	0	£0	£21,390	£0	0		£0	£21,390	£0	£21,390	£0	£-20,935	£0	£0	£0	£0	£0	£0	£0	£455	
May 2018	1760	£52,800	0	£0	£52,800	£0	0		£0	£52,800	£0	£52,800	£0	£0	£0	£0	£0	£0	£0	£0	£0	£52,800	
June 2018	470	£14,100	0	£0	£14,100	£0	0		£0	£14,100	£0	£14,100	£0	£0	£0	£0	£0	£0	£0	£0	£0	£14,100	
July 2018	0	£0.0	0	£0	£0	£1,335	0		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£1,335	£1,335	
Totals	13,599	£407,970	0	£0	£407,970	£7,320	321		£80,825	£488,795	£0	£488,795	£112,825	£-112,825	£0	£0	£0	£0	£0	£0	£8,000	£15,320	£423,290

£0

£423,290

Principal's declaration
I certify that the funds claimed by this college throughout the academic year, as detailed above, have been used in line with the requirements of the EMA programme.
I confirm that 5% of applications have been checked for compliance with the programme and are enclosed as evidence in support of this return.

Principal's name (please print)
JON VINCENT

Principal's signature


Date
26/10/18

Data to provide an average-based advance allocation for February and March 2018

College	2016 February	2016 March	2017 February	2017 March	Average February	Average March	Combined Feb & March Averages	Upfront Payments	Combined Averages - Net of Upfront payments
Glasgow Clyde	£79,880	£51,510	###	£49,830	£62,155	£50,670	£112,825	£32,000	£80,825

Our ref: si/G366
Your ref:

Scottish Funding Council
Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD

6 November 2018

Dear Sirs

**2017/18 Education Maintenance Allowance
Glasgow Clyde College**

In accordance with the Scottish Funding Council's EMA audit guidance we enclose an 'Auditors' Report' in relation to the above College's EMA Academic year-end statement for 2017/18 (copy attached).

Should you have any queries regarding the enclosed, please do not hesitate to contact Stuart Inglis at this office.

Yours faithfully

Henderson Loggie

Henderson Loggie

sti@hlca.co.uk

Enclosures

ABERDEEN

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AB15 4ZN
t: 01224 322 100
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DX 556003,
Aberdeen 30

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A list of Partners' names is available for inspection at each of these addresses

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Partners

Dougy Agnew, Stephen Bain, Gavin Black, Ian Cameron, Steve Cartwright, Jamie Davidson, Charles Edmond, Alan Davis, Rod Mathers, Barbara McQuillan, Fiona Morgan, Andy Niblock, Greg Rowand, David Smith and Graeme Smith

Our ref: si/G366
Your ref:

Scottish Funding Council
Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD

6 November 2018

Dear Sirs

**Glasgow Clyde College: Education Maintenance Allowance Return
Auditors' Report to the Scottish Funding Council (SFC) for the period from 1 August
2017 to 31 July 2018**

We have examined the books and records of the above College, including evidence of checks of five per cent of applications and payments, with a sample size appropriate to the size of the institution, and have obtained such explanations and carried out such tests as we considered necessary.

On the basis of our examination and of the explanations given to us, we report that the information set out in these forms is in agreement with the underlying records.

We also report that, in our opinion, the College used these funds in accordance with the SFC's conditions and the principles of the Education Maintenance Allowance programme.

We are satisfied that the systems and controls of the administration and disbursement of these funds are adequate.

Yours faithfully

Henderson Loggie

Henderson Loggie

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AUDIT COMMITTEE MEETING

Date of Meeting	28 November 2018
Paper Title	Proposed Internal Audit Plan 2018/19 (updated)
Agenda Item	18.55
Paper Number	18.55A
Responsible Officer	Henderson Loggie, Internal Auditors
Status	Disclosable
Action	For Discussion

1. REPORT PURPOSE

The purpose of this report is to provide an updated proposed Internal Audit Plan for 2018/19.

2. RECOMMENDATION

Committee Members are invited to review and approve the attached plan.

3. BACKGROUND

The attached report from Henderson Loggie provides an updated summary of the overall work planned for 2018/19.

RISK ANALYSIS

4 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 Annual Plan 2018/19

Internal Audit Report No: 2019/01

Draft Issued: 12 November 2018

Final Issued:

Content

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1. Introduction

- 1.1 The purpose of this document is to present for consideration by management and the Audit Committee the annual operating plan for the financial period 2018/19. The plan is based on the allocation of audit days for 2018/19 set out in the Audit Needs Assessment and Strategic Plan 2017 to 2020, which was presented to the Audit Committee, and approved by it, at its meeting on 22 November 2017.
- 1.2 The annual operating plan for 2018/19 shows one change to the allocation set out in the above Strategic Plan. A review of Student Welfare – Duty of Care (including Safeguarding) has been added at the request of the Audit Committee.
- 1.3 A copy of the revised Strategic Plan is included at Section 2 of this report.
- 1.4 At Section 3 of this report we have set out the outline scope and objectives for each audit assignment to be undertaken during 2018/19, together with the audit approach. These have been arrived at following discussion with the Vice Principal, Resources and College Development and the Assistant Principal, Finance and Infrastructure and consideration by other members of the College Management Team. The outline scopes will be finalised after discussion with responsible managers in each audit area.
- 1.5 Separate reports will be issued for each assignment with recommendations graded to reflect the significance of the issues raised.

2. Strategic Plan 2017 to 2020

Proposed Allocation of Audit Days

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

Proposed Allocation of Audit Days (Continued)

	Category	Priority	Actual 17/18 Days	Planned 18/19 Days	Planned 19/20 Days
Information and IT					
IT network arrangements	Perf	H/M			5
Data protection	Gov	H	4		
FOI	Gov	L			
Systems development / implementation	Perf	M		5	
IT strategy	Perf	M			
Other Audit Activities					
Management and Planning)			5	5	5
External audit / SFC)					
Attendance at audit committees)					
Follow-up reviews		Various	3	3	3
Audit Needs Assessment					
<i>Total</i>			40	44	40
			=====	=====	=====

Key

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

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

3. Outline Scope and Objectives

Audit Assignment:	Health and Safety
Priority:	Medium
Audit Committee Meeting:	TBC
Days:	5

Scope

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

Objectives

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

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

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

Our audit approach will be:

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

Audit Assignment:	Student Recruitment and Retention
Priority:	High
Audit Committee Meeting:	TBC
Days:	5

Scope

Taking account of the regional context we will conduct a review of the adequacy and effectiveness of the processes and procedures for managing and controlling student recruitment and retention, covering the role of Student Services, Marketing and Communications, MIS and Academic Schools.

This will include a review of early warning indicators to flag where recruitment targets are not being met or where students are at risk of dropping out of the College.

For the purposes of this review student recruitment is those activities targeted at individuals who are actively weighing up the prospect of entering or continuing in further or higher education.

Objectives

The objectives of the audit will be to ensure that:

- there is appropriate senior management and Board committee oversight, including monitoring and reporting of information on student applications and retention rates against targets to identify areas of poor recruitment and retention, and identify possible actions;
- clear roles and responsibilities have been established that foster accountability for recruitment and retention;
- there is an agreed student recruitment and retention strategy taking into account:
 - ◆ College strategic objectives, the Glasgow Colleges Regional Outcome Agreement and Scottish Funding Council (SFC) outcomes;
 - ◆ agreed recruitment and retention targets;
 - ◆ equal opportunities;
 - ◆ widening participation;
 - ◆ admissions policy;
- an annual student recruitment plan is in place to define and coordinate recruitment activity including a recruitment lifecycle. Recruitment / promotional activities are:
 - ◆ planned;
 - ◆ activities are designed to be economic, efficient and effective;
 - ◆ underpinned by recruitment data and market intelligence;
 - ◆ coordinated;
 - ◆ reviewed, monitored and evaluated;
- an annual student retention plan is in place to define and coordinate activities designed to identify students at risk of dropping out at an early stage and provide them with the necessary support to retain them at the College;

Audit Assignment: Student Recruitment and Retention (Continued)

Objectives (Continued)

- knowledge, skills and training is provided to staff who are engaged in recruitment activity and in helping to retain students who are at risk of leaving the College; and
- there are mechanisms to handle recruitment complaints and obtain feedback where possible from students who leave the College prematurely and identify and take remedial action where necessary.

Our audit approach will be:

We will assess whether the above objectives have been met through discussions with the Vice Principal, Curriculum and External Relations and relevant Assistant Principals and other staff, and review of relevant documentation.

Audit Assignment:	Student Welfare – Duty of Care
Priority:	High / Medium
Audit Committee Meeting:	TBC
Days:	4

Scope

The scope of this audit will be to review the action the College is taking to meet its specific statutory duties related to the care of students:

- **College Prevent Duty** – the Counter-Terrorism and Security Act imposes a duty on further education colleges to ‘have due regard to the need to prevent people from being drawn into terrorism’;
- **College Safeguarding Duty** – every adult in Scotland has a role in ensuring all our children, young people and adults at risk live safely and can reach their potential. The College is committed to collaboratively safeguarding the safety and wellbeing of children, young people and adults at risk who undertake study or employment with the College and takes all reasonable steps to safeguard students and staff; and
- **College Corporate Parenting Duty** – The Children and Young People Act 2014 passed legislation relating to Corporate Parenting. Under the Act, Post-16 Education Bodies were considered to be ‘corporate parents’ from 1 April 2015.

Objectives

The objective of this audit will be to obtain reasonable assurance that the College has:

- Duty of Care policies and documented procedures in place which are communicated to all staff;
- appointed staff or groups with specific responsibilities to assist the College in meeting its statutory duties related to the care of students;
- a formal risk identification and assessment process;
- a Duty of Care training programme for staff which includes induction training and regular refresher training;
- engaged with Prevent partners and collaborated with other Corporate Parents; and
- regular reporting of Duty of Care matters to senior management and to the Board of Management.

Our audit approach will be:

From discussion with relevant Assistant Principals and other staff, and review of policies and procedures, we will identify the internal controls in place and compare these with expected controls. A walkthrough of key systems will then be undertaken to confirm our understanding, and this will be followed up with compliance testing where considered necessary. We will report on areas where expected controls are found to be absent or where controls could be further strengthened.

Audit Assignment:	Budgetary Control
Priority:	High
Audit Committee Meeting:	TBC
Days:	5

Scope

This audit will look at the College's budgetary control practices and protocols. It will specifically consider budget monitoring procedures in place centrally and within a sample of Academic Schools and Support Services, and also cash flow reporting to senior management and the Board, the Glasgow Colleges' Regional Board and the SFC.

Objectives

The objectives of the audit will be to ensure that:

- budgets are controlled in accordance with the Financial Regulations and Procedures;
- budget setting is linked to corporate and operational planning processes and budgets are revisited when plans change or funding targets are not achieved;
- information is available to management in Academic Schools and Support Services which is up-to-date and in a format that can be easily understood;
- budget holders have the necessary skills for managing budgets;
- budget variations are reported and acted upon;
- there is accurate cash flow reporting; and
- senior management and the Board regularly review the College's overall financial position.

Our audit approach will be:

The Vice Principal, Resources and College Development, Assistant Principal, Finance and Infrastructure, Finance staff and a sample of budget holders in Academic Schools and Support Services will be interviewed, and reports reviewed, to determine current working practices in budget monitoring, and the information and training provided to budget holders.

The processes used to prepare cash flow reports for senior management and the Board, the Glasgow Colleges' Regional Board and the SFC will be determined through discussion with Finance staff and review of supporting working papers.

We will also establish and review the budget monitoring information provided to the College Management Team and Board.

Audit Assignment:	ESF Funding
Priority:	Medium
Audit Committee Meeting:	TBC
Days:	4

Scope

The main purpose of this review will be to ensure that the policies and procedures in place within External Funding, Academic Schools and MIS for administering European Social Fund (ESF) activity, in line with conditions of grant, in order that eligible activity is accurately collected and recorded, and that funding is directed towards eligible students.

Objectives

The specific objectives of this review will be to ensure that:

- enrolment procedures across the College are sufficient to ensure accuracy of student records information, including adequate checking of student data by the External Funding team, MIS and Academic Schools;
- there is accurate and timely transfer of data between the Academic Schools and MIS and the External Funding team;
- ESF students are appropriately identified and ESF student numbers are regularly monitored to ensure that funding targets are achieved;
- documentation relating to ESF student participants is collected and retained in line with the conditions of ESF grant funding; and
- the College's exposure to ESF funding streams is kept under review and risks appropriately mitigated.

Our audit approach will be:

From discussion with External Funding staff, MIS and relevant Curriculum staff we will identify the key internal controls in place within the College processes and these will be reviewed to assess compliance with the above objectives. We will report on any areas where expected controls are found to be absent or where controls could be further strengthened.

Audit Assignment:	Performance Reporting / KPIs
Priority:	Medium
Audit Committee Meeting:	TBC
Days:	4

Scope

This audit will consider the format, content and timeliness of management information, both financial and non-financial (although excluding budget monitoring as this is covered separately as part of the internal audit programme for the year), provided to senior management and to the Board. We will also consider whether the information reported to the Board is appropriate, and whether such information is accurate and easy to understand for those who use it.

Objectives

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

- the management information needs of users have been identified and the information provided meets those needs;
- management information is clearly set out, easily accessible, accurate, provided on a timely basis and readily understood by users;
- management information is available which:
 - ◆ reports on appropriate key performance indicators and, where applicable, on outputs, outcomes and impacts;
 - ◆ enables the impacts of key strategic and operational decisions to be measured;
 - ◆ assists in forecasting; and
- processes in place to provide and disseminate management information are efficient.

Our audit approach will be:

A sample of senior managers and Board members will be interviewed and the College's management reports, and management reporting procedures, will be reviewed to assess compliance with the above objectives.

Audit Assignment:	Partnership Working (including Regional Engagement)
Priority:	Medium
Audit Committee Meeting:	TBC
Days:	4

Scope

The scope of this audit will be to carry out a high-level review of the effectiveness of the College's partnership working arrangements (including shared services), with Glasgow Colleges' Regional Board (GCRB), other Glasgow region colleges and other parties.

Objectives

The overall objective of the audit will be to establish whether the College's arrangements for partnership working are effectively working. The specific objectives of the audit will be to gain reasonable assurance that:

- senior management and Board members are committed to partnership working;
- for relationships with GCRB, the other Glasgow region colleges, and other key partnerships:
 - ◆ appropriate arrangements are in place including, where appropriate, agreements, priorities, strategies, operating plans and working structures;
 - ◆ effective governance arrangements, including adequate reporting against agreed performance measures and targets and monitoring of this information;
 - ◆ robust communication channels, including processes to escalate issues;
 - ◆ ongoing monitoring of the effectiveness of partnership working and consideration of possible improvements; and
 - ◆ adequate resources (funding, assets and staffing) to enable effective working.

Our audit approach will be:

We will review the partnership working arrangements in place with GCRB, other Glasgow region colleges and a sample of other key partners through discussion with the Principal and other members of the College Management Team, and review of supporting information, and form conclusions based on the evidence obtained on the effectiveness of the College's partnership working arrangements.

Audit Assignment:	Systems Development / Implementation
Priority:	Medium
Audit Committee Meeting:	TBC
Days:	5

Scope

The scope of this audit will be to carry out a review of the ICT project management controls in place within the College.

Objectives

The objectives of this aspect of the audit will be to ensure that:

- the College has established formal documented project management standards and policies, which reflect best practice;
- project teams and managers receive adequate project management training;
- all requests for new projects are supported by a detailed business case and, where approved, a feasibility study, project initiation document and detailed project plan are established;
- a functional specification is prepared which sets out users' requirements and a technical specification prepared based on this;
- an outline testing plan with acceptance criteria is written at the functional specification stage and complied with during the implementation phase;
- relevant staff are appropriately trained at the right time in the new system and operational guides, user manuals and support are supplied to system users; and
- post-implementation reviews are carried out by project teams to compare the actual costs and benefits etc. with those originally expected.

Our audit approach will be:

From discussion with the Head of ICT and other relevant College managers and staff, and review of project documentation for a sample of recent projects, we will consider whether the above objectives have been met.

Audit Assignment:	Follow-Up Reviews
Priority:	Various
Audit Committee Meeting:	TBC
Days:	3

Scope

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

Objective

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

Our audit approach will be:

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

AUDIT COMMITTEE MEETING

Date of Meeting	28 th November 2018
Paper Title	Draft Annual Report from Audit Committee to the Board of Management
Agenda Item	18.57
Paper Number	18.57A
Responsible Officer	Janet Thomson, Vice Principal – Resources & College Development
Status	Disclosable
Action	For Approval

1 REPORT PURPOSE

This report provides the draft annual report from the Audit Committee to the Board of Management which is part of the financial year end process and the final report will be submitted to the December Board of Management and then sent to the Scottish Funding Council along with the final financial statements for 2017/18.

2. RECOMMENDATION

Committee Members are requested to consider the draft report from the Audit Committee to the Board of Management and approve with any required amendments for submission to the Board of Management for its December meeting.

3. BACKGROUND

3.1 The Audit Committee should report to the Board of Management, prior to the Board approving the College Financial Statements, to inform the Board of Management of the adequacy and effectiveness of the College's internal financial and management systems controls, and the arrangements for securing economy, efficiency and effectiveness. A draft Report from the Audit Committee to the Board of Management is attached.

3.2 The final report from the Audit Committee will go to the Board of Management at its 12 December 2018 meeting, with any amendments from the Committee made prior to submission to that Board meeting. This report will be considered along with the financial statements for the period ending 31 July 2018.

3.3 The report summarises the business covered by the Audit Committee during the period of 1 August 2017 up until 28th November 2018, which is the final Committee prior to the financial statements being approved by the Board of Management.

4. RISK ANALYSIS

There are no specific risk implications in this paper.

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

It is a requirement of the Financial Memorandum that the Audit Committee provide an annual report to the governing body of the College.

6. HAS AN EQUALITY IMPACT ASSESSMENT BEEN CARRIED OUT

N/A



AUDIT COMMITTEE

DRAFT ANNUAL REPORT FROM THE AUDIT COMMITTEE

A Administrative Matters

The Audit Committee of Glasgow Clyde College has met six times since the start of the 2017/18 financial period up to the date of signing of the 2017/18 financial statements with meetings held in September and November 2017, and February, May, October and November of 2018.

B Remit and Membership of Committee

The remit of the Audit Committee, as approved by the Board of Management, is attached to this report.

The membership of the Audit Committee for the period 1 August 2017 to the date of signing of the financial statements was as follows:

David Watt, Chair
Keith Rosser
Clare Walker
David Perez (to 15 June 2018)
Michael Payne (from 15 January 2018)
Fiona Robinson (from 17 August 2018)

C Internal Audit

The internal audit service for Glasgow Clyde College during the financial period 2017/18 was provided by Henderson Loggie. They were reappointed for a period of three years (extendable for a further twelve months) from 2017/18 following a tendering exercise.

During the financial period 1 August 2017 to 31 July 2018 there were six internal audit reports completed which were reports on the following areas:

- Curriculum;
- Student Support (Business Process Review);
- Estates Strategy / Capital Projects / Building Maintenance;
- Procurement and Creditors / Purchasing;
- Business Development and
- Data Protection Part 1 and 2.



AUDIT COMMITTEE

Audit recommendations have been responded to and actions agreed as appropriate. Any remaining actions relating to previous internal audit recommendations have been included in the rolling audit action plan which is reported to Committee on an ongoing basis to ensure all recommendations are fully implemented.

The Internal Audit Annual Report for 2017/18 was considered by the Audit Committee of Glasgow Clyde College at its meeting in November. Within the annual report Henderson Loggie's opinion was that the College has adequate and effective arrangements for risk management, control and governance and that proper arrangements are in place to promote and secure value for money, with this opinion having been arrived at taking into consideration the work they have undertaken during 2017/18 and the previous year.

D External Audit

The external auditors of Glasgow Clyde College are Scott Moncrieff who were appointed by Audit Scotland for a five year period from 2016/17 to 2020/21.

Following the conclusion of their external audit of the financial statements of the College for the financial period ended 31 July 2018, Scott Moncrieff produced an External Audit Management Report to the Board of Management and the Auditor General for Scotland. Their report has been drawn up in accordance with the Code of Practice issued by Audit Scotland.

The external auditor's report as prepared by Scott Moncrieff covered the following areas:

- i) Key Messages;
- ii) Introduction;
- iii) Annual Report and Financial Statements;
- iv) Financial Management;
- v) Financial Sustainability;
- vi) Governance and Transparency; and
- vii) Value for Money

plus Appendices covering the Management Action Plan and Respective Responsibilities.

The relevant sections of the report and the detailed recommendations and management responses contained in the external audit report for the financial period 2017/18 were reviewed by the Audit Committee at its



AUDIT COMMITTEE

November meeting prior to their submission to the Board of Management for consideration and approval on 12th December 2018.

In their management letter for the period ended 31 July 2018 the external auditor was satisfied that the financial statements represent a true and fair view of the financial position of the College for the period ended 31 July 2018 and on the regularity of transactions. They issued an unqualified audit opinion in terms of governance for the College.

E Risk Management and Corporate Governance

The Audit Committee as part of its remit keeps under review the College's internal control and risk management systems and will receive updates on Glasgow Clyde College's risk management processes. The College had in place for the financial period 2017/18 a risk management process with the College's Strategic Risk Register being reviewed at each Audit Committee meeting and reviewed quarterly at the full Board of Management meeting.

The Board of Management is committed to exhibiting best practice in all aspects of Corporate Governance. The Board will ensure that ongoing arrangements comply with the Code of Good Governance for Scotland's Colleges assisted by the Audit Committee in ensuring compliance.

An external review of the Board's effectiveness was completed by Polley Solutions in March 2017 and this concluded that the College meets its obligations under the Code of Good Governance for Scotland's Colleges and, in a number of areas, demonstrates high standards of governance

An internal audit review was completed by Henderson Loggie on Corporate Governance in July 2017 which was a detailed desktop review against all the principles and provisions within the Code of Good Governance for Scotland's Colleges. Henderson Loggie concluded that there was satisfactory assurance in this area with seven recommendations made plus some improvement points. The Committee have noted the planned actions to address the points made and have been assured that none of these have a significant impact to the College compliance with the Code however the agreed actions will be implemented by the College within the agreed timescales.

F Value for Money

Glasgow Clyde College is committed to achieving public value from its available resources and this will underpin its ongoing decision-making and internal audit planning which will include some value for money review



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areas as appropriate. The Audit Committee relies on the professional judgement of the Internal Audit firm to have completed a suitable level of internal audit value for money review activity in discussion with management.

G Going Concern

For the going concern assessment the College needs to be viewed as being an entity which will continue in business for the foreseeable future. The responsibilities of those charged with governance include the going concern assessment which is carried out by management and reviewed by auditors, and the foreseeable future is deemed to be twelve months from the date of signing the College's financial statements. The Committee is satisfied that the College is a going concern based on the 2017/18 financial statements following the external audit review of the financial statements.

H Conclusion

The Audit Committee is satisfied as to the adequacy and effectiveness of the Glasgow Clyde College's internal financial and management systems as reviewed by internal audit and external audit for the financial period 2017/18.

The Committee is also of the opinion that the Board of Management's responsibilities in terms of audit practice have been complied with.

The Committee is committed to best practice in Corporate Governance and to complying with the Code of Good Governance for Scotland's Colleges for which all material aspects are being complied.

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.

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.

AUDIT COMMITTEE

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.



AUDIT COMMITTEE

	<p>Securing and monitoring appropriate liaison and co-ordination between external and internal audit.</p>
VALUE FOR MONEY	<p>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.</p> <p>Ensuring there are appropriate processes in place in the College to deliver value for money. .</p> <p>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.</p>
RISK MANAGEMENT	<p>Reviewing the College's risk management arrangements and Risk Management Policy on the annual basis.</p> <p>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.</p> <p>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.</p>
GOVERNANCE AND COMPLIANCE	<p>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.</p> <p>Producing an annual report for the Board of Management.</p> <p>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.</p>



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	<p>Reviewing reported cases of impropriety to establish whether they have been appropriately handled.</p> <p>Act in accordance with the whistle blowing policy.</p> <p>Undertake a regular self-evaluation of the Committee.</p> <p>Meet in private with the internal and external auditors at least once annually.</p> <p>Liaise as appropriate with the Finance and Resources Committee.</p>
<p>MEMBERSHIP</p>	<p>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.</p>
<p>QUORUM</p>	<p>The quorum set by the Committee is three members.</p>