



# AUDIT COMMITTEE

**Wednesday 29 September 2021 at 4.30pm**

## AUDIT COMMITTEE

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Meeting of the Thirtieth Audit Committee to be held on Wednesday 29 September 2021 at 4.30pm by Zoom.

### AGENDA

<b>21.30</b>	Welcome and Apologies		D Watt
<b>21.31</b>	Declarations of Interests		D Watt
<b>Minutes of Previous Meeting</b>			
<b>21.32</b>	Minute of the Audit Committee meeting of 26 May 2021	P	D Watt
<b>21.33</b>	Matters Arising – Action Grid	P	D Watt
<b>Items for Discussion/Decision</b>			
<b>21.34</b>	Internal Audit Reports - Follow Up Reviews	P	Henderson Loggie
<b>21.35</b>	Internal Audit 2020/21 Plan Progress and Plan for 2021/22	P	Henderson Loggie
<b>21.36</b>	College Assurance Framework Update	P	J Thomson
<b>21.37</b>	College Strategic Risk Register	P	J Thomson
<b>21.38</b>	Data Protection Update	V	M Wood/ J Thomson
<b>Items for Information/Noting</b>			
<b>21.39</b>	Internal and External Audit Rolling Action Plan	P	T Elliott
<b>21.40</b>	Audit Committee Remit and Schedule of Work	P	C McConnell
<b>Continual Improvement</b>			
<b>20.41</b>	Equalities Impact Assessment on Decisions Made		D Watt
<b>20.42</b>	Review of Papers (including Disclosable status)		D Watt
<b>20.43</b>	Any Other Business		D Watt

Date of next meeting: 24<sup>th</sup> November 2021 at 4.30pm. Location: Seminar Rooms 1&2 Cardonald Campus

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## AUDIT COMMITTEE MEETING

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Date of Meeting	29 September 2021
Paper Title	Internal Audit Reports:
Agenda Item	<ul style="list-style-type: none"> <li>• Follow Up Review</li> </ul>
Paper Number	21.34
Responsible Officer	21.34A
Status	Henderson Loggie, Internal Auditors
Action	Disclosable
	For Discussion

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### 1 REPORT PURPOSE

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

- Follow Up Reviews

This is the final report within the 2020/21 Internal Audit Plan.

### 2 RECOMMENDATION

2.1 Members of the Audit Committee are invited to discuss the attached paper.

### 3 BACKGROUND

3.1 The Follow Up Reviews 2020/21 internal audit report concludes that from the seven reports covered in the review containing eighteen recommendations, ten have been fully implemented, two have been partially implemented, five are not past agreed completion date, and one has been considered and not implemented for the reasons given.

### 4 RISK ANALYSIS

4.1 There are no specific risk implications in this paper.

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

5.1 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

## Follow Up Reviews

Internal Audit report No: 2021/08

Draft issued: 16 September 2021

Final issued: 20 September 2021



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## Management Summary

### Introduction and Background

As part of the Internal Audit programme at Glasgow Clyde College ('the College') for 2020/21 we carried out a follow-up review of the recommendations made in Internal Audit reports issued during 2020/21 and reports from earlier years that had either not already been subject to follow-up or where previous follow-up identified recommendations outstanding. These were:

- Internal Audit Report 2020/07 – Follow-Up Reviews 2019/20;
- Internal Audit Report 2020/08 – Equalities;
- Internal Audit Report 2021/02 – Fraud and Bribery Prevention, Detection and Response;
- Internal Audit Report 2021/03 – Student Support;
- Internal Audit Report 2021/04 – Payroll;
- Internal Audit Report 2021/05 – Digital / IT Strategy Implementation; and
- Internal Audit Report 2021/07 – Risk Management and Business Continuity Planning.

Internal Audit Reports 2021/01 – Annual Plan and 2021/06 – Delivery of Efficiency Savings Plan were not followed-up as these reports did not contain any recommendations.

### Objectives of the Audit

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

### Audit Approach

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

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

### Overall Conclusion

The College has made excellent progress in implementing the recommendations followed-up as part of this review with 10 (77%) of the 13 recommendations that were past their agreed completion dates being categorised as 'fully implemented'. Two recommendations (15%) were assessed as 'partially implemented' and one (8%) had been 'considered but not implemented'. This related to a recommendation in report 2020/02 – Publicity and Communications to give consideration to the creation of a single focal point for communications, being the Marketing and Communications Department. Management took the decision to leave internal communications with Organisational Development although this may be revisited in future.

## Overall Conclusion (continued)

The recommendations that were 'partially implemented', together with those not past their agreed completion dates, will be subject to follow-up at a later date.

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

From Original Reports			From Follow-Up Work Performed				
Area	Rec. Priority	Number Agreed	Fully Implemented	Partially Implemented	Little or No Progress Made	Not Past Agreed Completion Date	Considered But Not Implemented
Follow-Up Reviews 2019/20	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	2	1	-	-	-	1
<b>Total</b>		<b>2</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>
Equalities	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	1	1	-	-	-	-
<b>Total</b>		<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fraud and Bribery Prevention, Detection and Response	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	2	2	-	-	-	-
<b>Total</b>		<b>2</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Student Support	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	4	3	1	-	-	-
<b>Total</b>		<b>4</b>	<b>3</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>
Payroll	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	4	2	-	-	2	-
<b>Total</b>		<b>4</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>-</b>
Digital / IT Strategy Implementation	1	-	-	-	-	-	-
	2	1	1	-	-	-	-
	3	-	-	-	-	-	-
<b>Total</b>		<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Risk Management and Business Continuity Planning	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	4	-	1	-	3	-
<b>Total</b>		<b>4</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>3</b>	<b>-</b>
<b>Grand Totals</b>		<b>18</b>	<b>10</b>	<b>2</b>	<b>-</b>	<b>5</b>	<b>1</b>



## Overall Conclusion (continued)

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

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

## Acknowledgements

We would like to thank all staff for the co-operation and assistance we received during the course of our reviews.

## Appendix I - Updated Action Plan

### Internal Audit Report 2020/07 – Follow-Up Reviews 2019/20

Original Recommendation	Priority	Original Management Response	Agreed	To Be Actioned By	No Later Than	Progress at September 2020	Progress at September 2021
<b>Internal Audit Report 2020/02 – Publicity and Communications</b>							
<b>R2</b> Consideration should be given to the creation of a single focal point for communications being the Marketing and Communications Department, which would have overall control of both internal and external communications, and with a reporting line to the Assistant Principal, Quality and Performance.	<b>3</b>	The college agrees that consideration should be given to placing the internal communication function within the Marketing and Communications service. Discussions have already taken place to evaluate the impact of a potential change.	Yes	College Vice Principals	31 March 2020	Initial discussions have taken place and it is anticipated that this activity will transfer by December 2020 at the latest.  <b>Revised completion date:</b> 31 December 2020  <b>Partially Implemented</b>	Management took the decision to leave internal comms with Organisational Development on the basis that it is working well, and it has been useful during the Pandemic, when the College has had to communicate with staff and students constantly, to have two different people dealing with the communications therefore splitting the workload.  This decision may be revisited in future.  <b>Considered But Not Implemented</b>

Original Recommendation	Priority	Original Management Response	Agreed	To Be Actioned By	No Later Than	Progress at September 2020	Progress at September 2021
<b>Internal Audit Report 2020/04 – Staff Recruitment and Retention / Staff Development</b>							
<b>R3</b> The College should set out a timetable to develop and introduce a formal staff succession planning process for identified key posts.	<b>3</b>	The College has in recent years reviewed turnover of senior staff in key positions and identified opportunities for succession planning. For example, the current Depute post took on the Principal post and the current VP took on the Depute post and an AP was promoted into a VP post. There is always open external recruitment for permanent senior posts and therefore a succession planning process is in place although not documented. We will however develop a more formal succession planning process.	Yes	Assistant Principal Human Resources	31 December 2020	There has been no progress at this time on the succession planning action.  <b>Not past agreed completion date</b>	A Succession Planning Framework has been prepared which has been submitted to and discussed by the Remuneration Committee of the Board of Management.  <b>Fully Implemented</b>

## Appendix II - Updated Action Plan

### Internal Audit Report 2020/08 – Equalities

Original Recommendation	Priority	Original Management Response	Agreed	To Be Actioned By	No Later Than	Progress at September 2021
<b>R1</b> The College should carry out a review of the existing Equality and Respect Policy and consider whether there is scope to expand this to showcase all elements of the College's practices around both Equality and Diversity.	<b>3</b>	Agreed.  A review of the current Equality and Respect Policy will be conducted and the document will be updated, as required, to ensure that it covers all of the required areas of both Equality and Diversity.	Yes	Assistant Principal Student Experience	31 December 2020	A draft of the updated Equality and Respect Policy was provided.  <i>Fully Implemented</i>



## Appendix III - Updated Action Plan

### Internal Audit Report 2021/02 – Fraud and Bribery Prevention, Detection and Response

Original Recommendation	Priority	Original Management Response	Agreed	To Be Actioned By	No Later Than	Progress at September 2021
<b>R1</b> A review of the Unethical Behaviour and Whistleblowing Procedure should be conducted to confirm that it remains fit for purpose.	<b>3</b>	This procedure will be reviewed and passed to the College Quality Team for inclusion in the ongoing annual review process.	Yes	Clerk to the Board	31 March 2021	The Unethical Behaviour and Whistleblowing Policy and Procedure were reviewed by the Organisational Development Committee and the Audit Committee. The updated Policy and Procedure was then submitted to the Board of Management in June 2021 for approval of the Policy and noting of the Procedure.  <i>Fully Implemented</i>



Original Recommendation	Priority	Original Management Response	Agreed	To Be Actioned By	No Later Than	Progress at September 2021
<p><b>R2</b> The Financial Fraud Response Plan should be revisited to make it clear who has the final say on the reporting of a potential fraud to Police Scotland; who has responsibility for contacting Police Scotland to formally report the potential fraud; and who has responsibility for maintaining communication with police Scotland once a criminal investigation commences. It is our view that the role of internal audit is to support College management, the Board of Management and the police during the any internal or criminal investigation rather than having sole responsibility for the three steps outlined above.</p>	3	<p>The Fraud Response Plan will be reviewed and updated to clarify who has responsibility for reporting a suspected fraud to the police and for maintaining ongoing communication during any subsequent criminal investigation.</p>	Yes	Vice Principal Resources and College Development	31 March 2021	<p>The Financial Fraud Response Plan was updated to include a section clarifying responsibility for reporting a suspected fraud to the police and for maintaining ongoing communication with them. This was also submitted to the Board of Management in June 2021 for noting.</p> <p><i>Fully Implemented</i></p>

## Appendix IV - Updated Action Plan

### Internal Audit Report 2021/03 – Student Support

Original Recommendation	Priority	Original Management Response	Agreed	To Be Actioned By	No Later Than	Progress at September 2021
<p><b>R1</b> The Corporate Parenting Plan should be enhanced with detail included around the governance arrangements for approval of the Plan and for ongoing monitoring.</p> <p>The Corporate Parenting Group should resume activities to ensure there is at least annual review of the Plan in line with statutory guidance. The status of activity should be frequently updated and target dates for activities monitored by the group.</p> <p>Management should consider documenting actions around Care Experienced students experiencing digital exclusion.</p>	3	The draft plan will be reviewed by the group and published as per SG guidance.	Yes	AP Student Experience	30 June 2021	<p>A draft of the updated Corporate Parenting Plan was provided. This notes that the Plan will be monitored through College Corporate Parenting Group meetings (3 x academic year) – the first meeting will be held in November 2021. An annual report will be delivered to the Senior Leadership Team and the Board of Management on Corporate Parenting activity</p> <p>The Corporate Parenting Plan has an action to work with Action For Children and internal partners to ensure care experienced learners have appropriate access to digital devices and support.</p> <p><b>Revised completion date:</b> 30 November 2021</p> <p><i>Partially Implemented</i></p>

## Follow-Up Reviews 2020/21

Original Recommendation	Priority	Original Management Response	Agreed	To Be Actioned By	No Later Than	Progress at September 2021
<b>R2</b> Guidance detailing enrolment instructions for staff should be updated to capture the procedures around remote enrolment and the standards for staff around checks to be completed remotely. Robust version control practices should also be adopted.	<b>3</b>	Existing guidance will be formalized and version control monitored by our Quality team.	Yes	Head of MIS	31 May 2021	Guidance has been formalised and version controlled by the Quality Department.  <b>Fully Implemented</b>
<b>R3</b> Using the summary detailing the steps around student support by the Learning Inclusion Team, a set of procedures should be developed, and version controlled to ensure they continue to align to current ways of working.	<b>3</b>	The summary guidance will be formalised into procedures and monitored by our Quality team.	Yes	AP Student Experience	30 April 2021	Guidance has been formalised and version controlled by the Quality Department.  <b>Fully Implemented</b>

Original Recommendation	Priority	Original Management Response	Agreed	To Be Actioned By	No Later Than	Progress at September 2021
<p><b>R4</b> Management should consider ways to communicate the terms and conditions of devices loaned, such as an email to all students provided with devices, supported by a website or page on Canvas detailing this requirement and which is linked to other College policies around appropriate use of equipment. Students should be required to provide email confirmation of receipt of the devices and agreement to the terms and conditions.</p> <p>Management are already progressing work on this issue through discussions with ICT and faculty staff.</p>	<b>3</b>	We will investigate how best to engage with learners who have been in receipt of devices and ensure that T&Cs can be fully understood and agreed.	Yes	AP Student Experience	30 April 2021	<p>A new online process has been developed by ICT and incorporates Student Funding. Appointments are made by students and the system allows a track of applications and confirmation of terms and conditions.</p> <p><b><i>Fully Implemented</i></b></p>



## Appendix V - Updated Action Plan

### Internal Audit Report 2021/04 – Payroll

Original Recommendation	Priority	Original Management Response	Agreed	To Be Actioned By	No Later Than	Progress at September 2021
<b>R1</b> The College should review the current monthly hardcopy checklist approach to identify opportunities for the increased use of electronic records to document completion of key controls including the monthly payroll validation checks.	<b>3</b>	We agree with this recommendation and will investigate a potential electronic solution for payroll validation.	Yes	Assistant Principal, Human Resources	31 August 2021	<p>The Monthly Process Checklist for payroll is now maintained as an Excel spreadsheet. When a process is complete this is noted on the spreadsheet, and when monthly reports are run, the relevant checklist on the spreadsheet is initialled and dated.</p> <p>The completed spreadsheets were provided for July and August 2021.</p> <p><b>Fully Implemented</b></p>
<b>R2</b> For future payroll system contract awards the College should ensure the approved contractor provides an IASE 3402 Controls Assurance report for service providers, and the College should obtain these reports ideally on an annual basis.	<b>3</b>	The requirement for this report will be raised with our current system provider and costs to provide this report investigated. If these costs are prohibitive, we will ensure that they are included in the tender document when we next tender or renew our contract.	Yes	Assistant Principal, Human Resources	31 December 2021	<p>The College is Investigating the cost of this with the software provider.</p> <p><b>Not past agreed completion date</b></p>



## Follow-Up Reviews 2020/21

Original Recommendation	Priority	Original Management Response	Agreed	To Be Actioned By	No Later Than	Progress at September 2021
<b>R3</b> The College should review its current approach for manual input of information on additional hours and expenses and, where practical, take steps to automate the payroll processes, including the direct approval and uploading of additional salary and expenses payments into the iTrent system.	<b>3</b>	Work is currently ongoing to develop an electronic timesheet and expenses system. We are aiming to have this operational for academic session 21/22.	Yes	Assistant Principal, Human Resources	30 September 2021	Electronic timesheets are currently being tested with a view to 'go live' early October 2021.  <b>Revised completion date:</b> 31 December 2021 to allow time to correct any issues  <b><i>Not past agreed completion date</i></b>
<b>R4</b> The College should introduce an additional escalation mechanism, which would supplement the existing raft of routine checks conducted by both HR and Payroll staff, in order to ensure senior management approval before the BACS payment run.	<b>3</b>	Agreed	Yes	Assistant Principal, Human Resources	31 May 2021	The College has put in place a practical solution where the Head of HR signs-off the payroll, with an escalation process should the Head of HR not be available.  Emails were provided showing approval by the Head of HR to proceed with the July and August BACS runs.  <b><i>Fully Implemented</i></b>

## Appendix VI - Updated Action Plan

### Internal Audit Report 2021/05 – Digital / IT Strategy Implementation

Original Recommendation	Priority	Original Management Response	Agreed	To Be Actioned By	No Later Than	Progress at September 2021
<p><b>R1</b> Ensure that digital objectives relating to cyber and information security, Digital / ICT infrastructure, and the ICT department digital operating model, which traditionally underpin a digital strategy, are adequately described within the College's refreshed Strategic Plan and core supporting strategies. Appropriate metrics should then be identified to monitor achievement of those objectives within the supporting strategies. Where this cannot reasonably be achieved, then consideration should be given to developing a separate Digital Strategy to provide an underpinning and enabling strategy to the over-arching Strategic Plan.</p>	2	<p>The College will consider this when preparing the new set of core strategies to support the Strategic Plan.</p>	Yes	Principal and Chief Executive	31 July 2021	<p>An updated Digital Strategy has been prepared as part of the new set of College core strategies. In addition, all the new / updated strategies now have a section on Digital Development and Integration to highlight digital linkages within other strategies.</p> <p><b><i>Fully Implemented</i></b></p>

## Appendix VII - Updated Action Plan

### Internal Audit Report 2021/07 – Risk Management and Business Continuity Planning

Original Recommendation	Priority	Original Management Response	Agreed	To Be Actioned By	No Later Than	Progress at September 2021
<b>R1</b> The Strategic Risk Register should include information on any risks which are above the risk appetite level set and describe the actions proposed to bring the risk level to within the appetite levels.	<b>3</b>	The Risk Register will be reviewed to consider how to link to the risk appetite for risk categories.	Yes	Vice Principal, Resources and College Development	30 September 2021	<p>Within timescale. Management advised that the College will review the Risk Register to consider whether any of the risk scores are above the relevant risk appetite level. A scoring for the five appetite levels is being prepared to enable this review.</p> <p><b><i>Not past agreed completion date</i></b></p>
<b>R2</b> An exercise should be conducted to examine the way in which specific key performance indicators can be linked to the Strategic Risk Register, in order to provide improved information on performance trends which may indicate that a risk is crystallising.	<b>3</b>	Agreed	Yes	Executive Management Team	30 September 2021	<p>Within timescale. Management advised that the College will review the Risk Register to map to College KPIs.</p> <p><b><i>Not past agreed completion date</i></b></p>



## Follow-Up Reviews 2020/21

Original Recommendation	Priority	Original Management Response	Agreed	To Be Actioned By	No Later Than	Progress at September 2021
<b>R3</b> The risk management section of the Annual Report from the Audit Committee should be expanded to provide assurances around the college's risk management arrangements and the way that these have operated throughout the year and this should involve a sense-checking of the continued applicability of the most recent risk appetite set by the Board.	<b>3</b>	The Annual Report from the Audit Committee to the Board of Management will be updated to expand the risk management section and to include reference to the Risk Appetite.	Yes	Vice Principal, Resources and College Development	31 October 2021	<p>Within timescale. An expanded narrative for the 2020/21 report from the Audit Committee to the Board of Management is to be prepared to include reference to the Risk Appetite.</p> <p><b><i>Not past agreed completion date</i></b></p>
<b>R4</b> As part of the planned review of the BCP in August 2021, consideration should be given to ensuring that the new requirements contained within Clause 9 of ISO 22301 are reflected in the next iteration of the Business Continuity Plan.	<b>3</b>	Agreed	Yes	Vice Principal, Resources and College Development	31 August 2021	<p>The College has reviewed clause 9 in ISO22301 on performance evaluation and will consider how to reflect in the Business Continuity Plan. The date of the next update of the Plan is October 2021 as there will be changes to key senior roles at that time.</p> <p><b>Revised completion date:</b> 31 October 2021</p> <p><b><i>Partially Implemented</i></b></p>

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## AUDIT COMMITTEE MEETING

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Date of Meeting	29 September 2021
Paper Title	Internal Audit 2020/21 Plan Progress and Plan for 2021/22 and future years
Agenda Item	21.35
Paper Number	21.35A, 21.35B
Responsible Officer	Janet Thomson, Vice Principal Resources and College Development, and Henderson Loggie, Internal Auditors
Status	Disclosable
Action	For Discussion

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### 1. REPORT PURPOSE

The purpose of this report is to provide a summary of the progress against the Internal Audit Plan for 2020/21 as being completed by Henderson Loggie, and the process for developing the Internal Audit Plan for 2021/22 and future years.

### 2. RECOMMENDATION

Committee Members are invited to review and discuss this paper.

### 3. INTERNAL PLAN 2020/21

**3.1** The 2020/21 Internal Audit Plan continues to be progressed and an update is attached in Appendix A.

**3.2** As can be seen from the attached progress report against the internal audit plan, all seven of the reports on the internal audit areas for the year have been completed with the final one of the Follow Up Reviews report being reported to this meeting. The remaining areas are only the three annual reports on the SFC credits audit, the bursary, childcare and hardship funds audit, and the educational maintenance allowance audit to be completed, and these will be reported to the November Audit Committee as part of the normal annual cycle.

### 4. APPOINTMENT OF FUTURE INTERNAL AUDIT SERVICES

**4.1** The College had appointed Henderson Loggie as its internal audit provider for a period of three years from 2017/18, which was extended for a further year with their appointment therefore ending with the conclusion of the 2020/21 internal audit work.

- 4.2** As reported to the May Audit Committee a new internal audit appointment was progressed using the APUC Framework Agreement for these services. The process was undertaken as a three-way joint appointment for Glasgow Clyde College along with City of Glasgow College and Glasgow Colleges' Regional Board. (Glasgow Kelvin College were part way through the period of appointment of their internal auditor hence did not fit into the same cycle period.)
- 4.3** The appointment process was concluded at the end of June with presentations from the selected bidders to the panel which had representation from the three organisations of Glasgow Clyde College, City of Glasgow College and GCRB, including Committee member representation. The Chair of the College Audit Committee and the Vice Principal Resources and College Development were part of the selection panel.
- 4.4** Following this process Henderson Loggie were selected as the successful bidder to provide internal audit services for the three organisations. Their appointment is for a three-year period with the option to extend for a further twenty-four months at the end of that time.

## **5. INTERNAL AUDIT PLAN 2021/22 AND FUTURE YEARS**

- 5.1** The previous internal audit plan was for the period to the end of 2020/21 and now as Henderson Loggie are appointed to provide the future internal audit services for the College they need to prepare an Internal Audit Needs Assessment (ANA) for future internal audit areas, in agreement with College Management and as approved by the Audit Committee.
- 5.2** The preparation of an Internal Audit Needs Assessment is a fundamental element of the internal audit planning process, and the assessment is based on an audit universe which sets out all of the various topics which internal audit could reasonably review within the College. The output from the ANA process will inform the development of the 3-year Strategic Internal Audit Plan for the financial years 2021/22, 2022/23 and 2023/24.
- 5.3** In order to populate the ANA document, Henderson Loggie are undertaking a series of meetings to identify the key challenges and opportunities anticipated for the College over the next three years and assess potential areas where internal audit activity could be focussed. The aim is to capture views on these key challenges and opportunities and the strength of the relevant controls in these areas for the area of responsibility of those being interviewed.
- 5.4** Following these meetings, the internal audit plan for 2021/22 to 2023/24 will be completed and will be submitted to the November Audit Committee

meeting for approval. An update on the progress of the ANA will be provided at the meeting and a summary of the Internal Audit Areas reported on for the period 2015/16 to 2020/21 is attached in Appendix B for information to show the areas previously covered within that timeframe.

**6. RISK ANALYSIS**

There are no specific risk implications in this paper

**7. 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.

**8. HAS AN EQUALITY IMPACT ASSESSMENT BEEN CARRIED OUT**

N/A

# Glasgow Clyde College

## Internal Audit Progress Report

Audit Committee 29 September 2021

Issued: 20 September 2021





## Internal Audit Progress Report September 2021

Progress with the annual plan for 2020/21 is shown below.

Audit Area	Planned reporting date	Report status	Report Number	Overall Conclusion	Audit Committee	Comments
<b>Annual Plan 2020/21</b>	September 2020	Draft 17/09/20 2 <sup>nd</sup> Draft 23/09/20 Final 30/09/20	2021/01	N/A	30/09/20	
<b>Student Support</b>	March 2021	Draft 23/02/21 Final 24/02/21	2021/03	<b>Satisfactory</b>	03/03/21	
<b>Payroll</b>	March 2021	Draft 24/02/21 Final 25/02/21	2021/04	<b>Good</b>	03/03/21	
<b>Fraud and Bribery Prevention, Detection and Response</b>	March 2021	Draft 17/02/21 2 <sup>nd</sup> Draft 18/02/21 Final 18/02/21	2021/02	<b>Good</b>	03/03/21	
<b>Delivery of Efficiency Savings Plan</b>	May 2021	Draft 17/05/21 Final 18/05/21	2021/06	<b>Good</b>	26/05/21	
<b>Risk Management / Business Continuity</b>	May 2021	Draft 19/05/21 Final 20/05/21	2021/07	<b>Satisfactory</b>	26/05/21	
<b>Digital / IT Strategy Implementation</b>	May 2021	Draft 14/05/21 Final 19/05/21	2021/05	<b>Satisfactory</b>	26/05/21	

Audit Area	Planned reporting date	Report status	Report Number	Overall Conclusion	Audit Committee	Comments
<b>Follow-Up Reviews</b>	October 2021	Draft 16/09/21 Final 20/09/21	2021/08	N/A see comments	29/09/21	10 Fully implemented 2 Partially implemented 5 Not past agreed completion date 1 Considered but not implemented 18 in total

Gradings are defined as follows:

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

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

Audit Area	Planned reporting date	Report status	Report Number	Overall Conclusion	Audit Committee	Comments
<b>Credits audit</b>	September 2021 – Audit Committee November 2021					Fieldwork started 6 September 2021
<b>Bursary, childcare and hardship funds</b>	September 2021 – Audit Committee November 2021					Fieldwork started 16 September 2021
<b>EMA audit</b>	September 2021 – Audit Committee November 2021					Fieldwork started 16 September 2021

## Appendix I – Previous Internal Audit Coverage

We were re-appointed in July 2021 as internal auditors of the College for the period 1 August 2021 to 31 July 2024 with an option to extend for a further 24 months. An Audit Needs Assessment (ANA), based on the areas of risk that the College is exposed to, will be prepared as part of our internal audit programme for 2021/22. Following on from the ANA a Strategic Plan will be formulated, covering the normal three-year internal audit cycle (2021/22 to 2023/24), for approval by the Audit Committee. As part of our preparations for this, we have noted below previous internal audit coverage over the period 2015 to 2021 for consideration during initial discussions with College management and the Audit Committee on key risks and priority areas to be covered over the next cycle.

### Allocation of Audit Days 2015 to 2021

		Actual	Actual	Actual	Actual	Actual	Actual
	Priority	15/16	16/17	17/18	18/19	19/20	20/21
		Days	Days	Days	Days	Days	Days
<b>Reputation</b>							
Publicity and Communications	M					4	
Health and Safety	M				5		
<b>Student Experience</b>							
Curriculum	H/M			6			
Quality	M					5	
Student support	M			5			6
Student recruitment and retention	H	6			5		
Student welfare – Duty of Care	H/M				4		
Students Association	M						
<b>Staffing Issues</b>							
Staff recruitment and retention	M/L					5*	
Staff development	H/M		5			*	
Payroll	M	6					5
<b>Estates and Facilities</b>							
Building maintenance )	M			3			
Estates strategy / capital projects )	H/M			3			
Space management	H		5				
Asset / fleet management	L						
<b>Financial Issues</b>							
Budgetary control	H	6			5		
Student fees and contracts / registry	M		4				
ESF funding	M				4		
General ledger	M						
Procurement and creditors / purchasing	M			5			
Debtors/ Income	M						
Cash & Bank / Treasury management	M					4	
Fraud Prevention, Detection and Response	M						6
Delivery of Efficiency Savings Plan	H						4





**Allocation of Audit Days 2015 to 2021 (Continued)**

		Actual	Actual	Actual	Actual	Actual	Actual
	Priority	15/16	16/17	17/18	18/19	19/20	20/21
		Days	Days	Days	Days	Days	Days
<b>Commercial Issues</b>							
Business Development	H/M			6			
International Activities	H/M						
<b>Organisational Issues</b>							
Risk Management	M	4					6*
Business Continuity	M						*
Corporate Governance	M		3				
Corporate Planning	M		4				
Performance reporting / KPIs	M				4		
Partnership Working (incl. Regional Engagement)	M				4		
Equalities	M					4	
<b>Information and IT</b>							
IT network arrangements	H/M		5*			5	
Data protection	H			4			
FOI	L						
Systems development / implementation	M				5		
Digital / IT strategy implementation	M		1*				5
<b>Other Audit Activities</b>							
Management and Planning )		5	5	5	5	5	5
External audit / SFC )							
Attendance at Audit Committee )							
Follow-up reviews	Various	3	3	3	3	3	3
Audit Needs Assessment		4					
Investigation						5	
<b>Total</b>		<u>34</u>	<u>35</u>	<u>40</u>	<u>44</u>	<u>40</u>	<u>40</u>
		====	====	====	====	====	====

**Key**

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

\* these assignments were linked

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## Previous Internal Audit Coverage

We were re-appointed in July 2021 as internal auditors of the College for the period 1 August 2021 to 31 July 2024 with an option to extend for a further 24 months. An Audit Needs Assessment (ANA), based on the areas of risk that the College is exposed to, will be prepared as part of our internal audit programme for 2021/22. Following on from the ANA a Strategic Plan will be formulated, covering the normal three-year internal audit cycle (2021/22 to 2023/24), for approval by the Audit Committee.

As part of our preparations for this, we have noted in the table below previous internal audit coverage over the period 2015 to 2021 for consideration during initial discussions with College management and the Audit Committee on key risks and priority areas to be covered over the next cycle.

**Allocation of Audit Days 2015 to 2021**

		Actual	Actual	Actual	Actual	Actual	Actual
	Priority	15/16	16/17	17/18	18/19	19/20	20/21
		Days	Days	Days	Days	Days	Days
<b>Reputation</b>							
<i>Publicity and Communications</i>	M					4	
<i>Health and Safety</i>	M				5		
<b>Student Experience</b>							
<i>Curriculum</i>	H/M			6			
<i>Quality</i>	M					5	
<i>Student support</i>	M			5			6
<i>Student recruitment and retention</i>	H	6			5		
<i>Student welfare – Duty of Care</i>	H/M				4		
<i>Students Association</i>	M						
<b>Staffing Issues</b>							
<i>Staff recruitment and retention</i>	M/L					5*	
<i>Staff development</i>	H/M		5			*	
<i>Payroll</i>	M	6					5
<b>Estates and Facilities</b>							
<i>Building maintenance )</i>	M			3			
<i>Estates strategy / capital projects )</i>	H/M			3			
<i>Space management</i>	H		5				
<i>Asset / fleet management</i>	L						
<b>Financial Issues</b>							
<i>Budgetary control</i>	H	6			5		
<i>Student fees and contracts / registry</i>	M		4				
<i>ESF funding</i>	M				4		
<i>General ledger</i>	M						
<i>Procurement and creditors / purchasing</i>	M			5			
<i>Debtors/ Income</i>	M						
<i>Cash &amp; Bank / Treasury management</i>	M					4	
<i>Fraud Prevention, Detection and Response</i>	M						6
<i>Delivery of Efficiency Savings Plan</i>	H						4



**Allocation of Audit Days 2015 to 2021 (Continued)**

		Actual	Actual	Actual	Actual	Actual	Actual
	Priority	15/16	16/17	17/18	18/19	19/20	20/21
		Days	Days	Days	Days	Days	Days
<b>Commercial Issues</b>							
<i>Business Development</i>	H/M			6			
<i>International Activities</i>	H/M						
<b>Organisational Issues</b>							
<i>Risk Management</i>	M	4					6*
<i>Business Continuity</i>	M						*
<i>Corporate Governance</i>	M		3				
<i>Corporate Planning</i>	M		4				
<i>Performance reporting / KPIs</i>	M				4		
<i>Partnership Working (incl. Regional Engagement)</i>	M				4		
<i>Equalities</i>	M					4	
<b>Information and IT</b>							
<i>IT network arrangements</i>	H/M		5*			5	
<i>Data protection</i>	H			4			
<i>FOI</i>	L						
<i>Systems development / implementation</i>	M				5		
<i>Digital / IT strategy implementation</i>	M		1*				5
<b>Other Audit Activities</b>							
Management and Planning )		5	5	5	5	5	5
External audit / SFC )							
Attendance at Audit Committee )							
Follow-up reviews	Various	3	3	3	3	3	3
Audit Needs Assessment		4					
Investigation						5	
<b>Total</b>		34	35	40	44	40	40
		====	====	====	====	====	====

**Key**

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

\* these assignments were linked

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## AUDIT COMMITTEE MEETING

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Date of Meeting	29 September 2021
Paper Title	College Assurance Framework Update
Agenda Item	21.36
Paper Number	21.36A
Responsible Officer	Janet Thomson, Vice Principal – Resources and College Development
Status	Disclosable
Action	For Discussion

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### 1 REPORT PURPOSE

- 1.1 This paper provides an update on the College Assurance Framework and the College Assurance Mapping.

### 2 RECOMMENDATION

- 2.1 The Committee are requested to DISCUSS the College Assurance Framework and the Assurance Mapping which is attached.

### 3 BACKGROUND

- 3.1 The Scottish Government issued an updated Audit and Assurance Committee Handbook in 2018. One of the main areas of change to the Handbook was that an Assurance Framework was to be developed/updated to consider whether there were any gaps or overlaps in assurances for the organisation's Audit Committee.
- 3.2 An assurance framework was developed in 2019 and reported to Committee in November 2019 as part of the annual reporting for the Committee on the 2018/19 financial statements. This framework summarises the activity across the College's Committees within the year compared to their remits with all the reports listed against each Committee's remit area. This process will be repeated each year as part of the annual financial statements process at the November Committee cycle.
- 3.3 Also, an Assurance Mapping process was discussed and developed following the three lines of assurance model in the Scottish Government Audit and Assurance Committee Handbook. This assurance mapping was done against the items within the annual Certificate of Assurance which the College has to complete for submission to GCRB (and subsequently this is included as part of reporting to SFC and then to the Scottish Government)

and against the requirements of the Financial Memorandum with the GCRB. The three lines of assurance defence as per the handbook and used in the attached assurance mapping are as below: -

- First line: management assurance from “front line” or business operational areas;
- Second line: oversight of management activity, including effective management information, separate from those responsible for delivery, but not independent of the organisation’s management chain; and
- Third line: independent and more objective assurance, including the role of Internal Audit and from external bodies.

3.4 This College Assurance Mapping was reported to the Committee previously and the Committee requested that the three lines of defence be reviewed to ensure that the first line should describe the policy/process, the second line should describe the application of that policy/process with the third line demonstrating evidence of assurance that the policy/process is being correctly applied. The Committee also indicated that it should include a route for independent challenge which should form part of the third line of defence and that the role of external audit should not be part of this assurance mapping and assurance framework.

3.5 This review has been undertaken and the updated College Assurance Mapping Framework is attached which shows the updated three lines of assurance for the Certificate of Assurance (fifteen items) and the College’s Financial Memorandum with GCRB (now summarised into one item number sixteen of the attached). One of the key items of the third line of defence and independent challenge now more fully reflects the involvement in the assurance process of the College Committees and the Board of Management.

#### **4 RISK ANALYSIS**

4.1 There are no specific risk implications in this paper.

#### **5 LEGAL IMPLICATIONS/FINANCIAL IMPLICATIONS/ REGIONAL OUTCOME AGREEMENT IMPLICATIONS**

5.1 The College needs to comply with the Audit and Assurance Committee Handbook as part of its status as a public body.

#### **6 HAS AN EQUALITY IMPACT ASSESSMENT BEEN CARRIED OUT**

N/A

## Glasgow Clyde College – Audit Committee

### College Assurance Mapping – September 2021

<b>Assurance Mapping against Certificate of Assurance Areas</b>	<b>First Line:</b> <i>Management assurance from 'front line' or business operational areas</i>  <b>(Business Management/ process)</b>	<b>Second Line:</b> <i>Oversight of management activity, including effective management information, separate from those responsible for delivery, but not independent of the organisation's management chain</i> <b>(Corporate Oversight/ application of process)</b>	<b>Third Line:</b> <i>Independent and more objective assurance, including the role of Internal Audit and from external bodies</i>  <b>(External Assurance/ evidence of assurance)</b>
<b>Certificate of Assurance - Schedule of Required Assurance Areas</b>			
1. Ensure that appropriate financial systems are in place and applied and that procedures and controls are reviewed from time to time to ensure their continuing relevance and reliability, especially at times of major change.	College budget holders' responsibility with delegated authorities and regular monitoring; Finance system controls.	Financial system controls and regular meetings on budget monitoring with budget holders; Management Accounts regular reporting to Senior Leadership Team; College Financial Policies and Procedures; College Financial Regulations  Assistant Principal: Finance and Infrastructure and Vice Principal: Resources and College Development have oversight	Finance and Resources Committee and Board of Management reporting of Financial Performance on quarterly basis; Internal Auditor review of financial systems as per the agreed plan
2. Ensure that proper financial procedures are followed and that accounting records are maintained in the form prescribed for published accounts.	College Financial Policies and Procedures available to all staff on College intranet; Delegated authority limits; Finance team monitoring of compliance with financial regulations; Budget monitoring meetings.	Financial regulations; Management accounts presented to Senior Leadership Team/Board of Management; Capital plan and expenditure monitoring; Financial statements sections reviewed and updated by Executive Management Team as appropriate.  Assistant Principal: Finance and Infrastructure and Vice-Principal:	Finance and Resources Committee review of management accounts and capital expenditure/ plans progress; Audit and Risk Committee, Finance and Resources Committee and Board of Management review of annual financial statements; GCRB reporting on capital expenditure; Internal Auditor reviews financial areas as agreed during annual audit plan.



<b>Assurance Mapping against Certificate of Assurance Areas</b>	<b>First Line:</b> <i>Management assurance from 'front line' or business operational areas</i>  <b>(Business Management/ process)</b>	<b>Second Line:</b> <i>Oversight of management activity, including effective management information, separate from those responsible for delivery, but not independent of the organisation's management chain</i> <b>(Corporate Oversight/ application of process)</b>	<b>Third Line:</b> <i>Independent and more objective assurance, including the role of Internal Audit and from external bodies</i>  <b>(External Assurance/ evidence of assurance)</b>
		Resources and College Development have oversight	
3. Ensure that procurement activity is conducted in accordance with the applicable public sector procurement requirements.	College procurement officer; Procurement controls in finance system; Procurement Procedures; APUC Shared Service provision	Procurement Strategy Procurement Updates to Finance & Resources Committee; College/APUC procurement team and ongoing tender management.  Assistant Principal: Finance and Infrastructure has oversight	Glasgow Regional Procurement Team /Steering Group; Procurement & Commercial Improvement Programme (PCIP) Assessment.
4. Ensure that effective management systems appropriate for the achievement of the body's objectives, including financial monitoring and control systems, have been put in place.	Delegated authority limits; Budget planning; Key objective targets.	College Strategic Plan objectives; Senior Leadership Team reporting; Credits Monitoring Report; Commercial Updates; Staff Costs Monitoring	Finance & Resources Committee; Board of Management
5. Ensure all risks relating to delivering business objectives, regularity, propriety or value for money are identified.	Delegation to College managers as budget holders; Key risk areas monitored by College depts e.g. financial performance, credits, cyber security.	Risk Register; Senior Leadership Team monitoring.	Risk Management Policy; Risk Appetite; Audit Committee and Board of Management quarterly reporting of Risk Register with any updates; GCRB reporting of Risk Register updates.
6. Ensure that arrangements have been made to secure Best Value as set out in the Scottish Public Finance Manual.	Internal processes to achieve best value from procurement and operating methods.	APUC; Procurement Policy; Procurement Procedures	Annual Procurement Benefits Statement PCIP Internal Audit as per internal audit plan.
7. Ensure that managers at all levels have a clear view of their objectives, and the means to assess and measure outputs, outcomes and performance in relation to those objectives.	Individual Staff Members' Annual Personal Development Plan (PDP) Process; College budget planning process; Portfolio Planning & Monitoring	Senior Leadership Team monitoring; Managers' discussions with individuals on an ongoing basis; PI Evaluation.	Reporting to College Board of Management and Committees; Education Scotland; External Verification; Scottish Funding Council; Internal Auditor
8. Ensure that all managers are assigned well defined responsibilities for making the best	Organisational Staff Structure; Job Descriptions;	Senior Leadership Team Budget Monitoring;	Reporting to College Committees;

<b>Assurance Mapping against Certificate of Assurance Areas</b>	<b>First Line:</b> <i>Management assurance from 'front line' or business operational areas</i>  <b>(Business Management/ process)</b>	<b>Second Line:</b> <i>Oversight of management activity, including effective management information, separate from those responsible for delivery, but not independent of the organisation's management chain</i> <b>(Corporate Oversight/ application of process)</b>	<b>Third Line:</b> <i>Independent and more objective assurance, including the role of Internal Audit and from external bodies</i>  <b>(External Assurance/ evidence of assurance)</b>
use of resources.	Budget Allocations; Permanent Staff Establishment Lists	Documented Delegated Authority Limits; College Staffing Group; Budget Monitoring; Non-SFC Income Monitoring	Internal Auditor for review of agreed areas in annual plan.
9. Ensure that all managers have the information (particularly about costs), training and access to the expert advice which they need to exercise their responsibilities effectively.	Induction and internal training; Subscription to various organisations to provide external expertise e.g. information security;	CPD and learning and development Records; Personal Development Planning Process.	Engagement with sector events including Financial Development Network; Internal Audit Plan; External Verification and Accreditation for teaching activity.
10. Ensure that the body achieves high standards of regularity and propriety in the consumption of resources.	Documented Delegated Authority Limits; Automated Approval and Procurement Checks on all orders above £2k; Budget monitoring meetings.	Management accounts monitoring at Senior Leadership Team; Financial Sustainability Strategy; Procurement Policy/Procedures; Procurement Strategy; Procurement Strategy Action Plan; Procurement Annual Report; College Financial Regulations;	PCIP review; Finance & Resources Committee reporting on procurement; Board of Management Code of Conduct and Code of Good Governance; Declaration of Interest at all Meetings; Annual Register of Interests; Internal auditors for agreed areas of review.
11. Ensure that you have a well communicated fraud policy, an up-to-date fraud response plan and effective avenues for reporting suspicions of fraud.	Named individuals with responsibilities in Fraud Response Plan; Financial Regulations available on intranet with staff responsibilities for all levels.	Fraud Policy; Fraud Response Plan; Whistleblowing Policy.  Vice-Principal: Resources and College Development and Assistant Principal: Human Resources have oversight;	Internal Auditor; Audit Committee/Board of Management; Glasgow Colleges' Regional Board; Scottish Funding Council reporting.
12. Ensure that there are processes in place around compliance with an IT security policy and for dealing with potential breaches.	Network Monitoring Activity; Internal ICT acceptable use Procedure for all staff; Data Protection Procedures	Senior Leadership Team; Information Security Policy; Data Protection Policy	Cyber Essentials Plus; Annual Network Penetration Testing; Internal Auditor Joins Information Steering Committee membership and guidance; Involvement with relevant sector bodies.
13. Ensure that appropriate consideration has been given to business continuity planning and disaster recovery for key activities.	Business Continuity Plan	Annual Penetration Testing ; Scenarios discussed at Senior Leadership Team	Internal Auditor as per agreed plans

<b>Assurance Mapping against Certificate of Assurance Areas</b>	<b>First Line:</b> <i>Management assurance from 'front line' or business operational areas</i>  <b>(Business Management/ process)</b>	<b>Second Line:</b> <i>Oversight of management activity, including effective management information, separate from those responsible for delivery, but not independent of the organisation's management chain</i> <b>(Corporate Oversight/ application of process)</b>	<b>Third Line:</b> <i>Independent and more objective assurance, including the role of Internal Audit and from external bodies</i>  <b>(External Assurance/ evidence of assurance)</b>
14. Ensure that you have an up-to-date publication scheme, that it is sufficiently open and proactive in publishing information of interest to your stakeholders.	Publication Scheme reviewed and updated regularly and published on College Website	Senior Leadership Team	Scottish Information Commissioner's Office
15. Ensure that you have a people/HR strategy in place and that you measure levels of employee engagement (e.g. through a staff survey) and take action in response as required.	HR Business Partner Model; Trade Union Engagement; Staff Voice; Clyde Connects Newsletters; Principal Communications; Healthy Working Lives Group	People Strategy; Staff surveys; Senior Leadership Team discussion;	Healthy Working Lives Standard; Internal Auditor; KPI Reporting - Organisational Development Committee
<b>Assurance Mapping against Compliance with the Financial Memorandum with GCRB</b>			
16. Assurance that the requirements of the Scottish Public Finance Manual (SPFM) have been met. These include requirements on the following: <ul style="list-style-type: none"> <li>• Prior approvals from Scottish Government;</li> <li>• Overdrafts not to be used;</li> <li>• Prior consent for lending of funds, or giving a guarantee, indemnity or letter of comfort;</li> <li>• Contingent liabilities;</li> <li>• Expenditure delegations;</li> <li>• Potential novel, contentious, repercussive or future cost implications expenditure;</li> <li>• Information on frauds;</li> <li>• Establishing internal delegated authority arrangements;</li> <li>• Severance scheme approvals by SFC;</li> <li>• Consultancy contracts over £100k;</li> <li>• Any contract without competitive action over £25k to be approved by SFC</li> </ul>	College delegated authority limits; Automated approval and procurement Checks on all orders above £2k;	Under delegated authority limits any SPFM requirements related matters must be reported to AP Finance & Infrastructure who will then inform the EMT and, if agreed, seek approval from GCRB/SFC; Procurement annual report; SLT Certificate of Assurance process (as per above 15 items); Voluntary severance schemes require approval of EMT.  Assistant Principal: Finance & Infrastructure has oversight	Financial Regulations; Procurement reports to F&R Committee; GCRB/SFC Conditions of Grant/ GCRB/SFC approvals required as appropriate; SFC Annual Accounts Guidance; Published financial statements; Voluntary severance schemes approved by Board of Management; Internal Auditor reviews as agreed as part of annual plan.

<b>Assurance Mapping against Certificate of Assurance Areas</b>	<b>First Line:</b> <i>Management assurance from 'front line' or business operational areas</i>  <b>(Business Management/ process)</b>	<b>Second Line:</b> <i>Oversight of management activity, including effective management information, separate from those responsible for delivery, but not independent of the organisation's management chain</i> <b>(Corporate Oversight/ application of process)</b>	<b>Third Line:</b> <i>Independent and more objective assurance, including the role of Internal Audit and from external bodies</i>  <b>(External Assurance/ evidence of assurance)</b>

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## AUDIT COMMITTEE

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Date of Meeting	29 September 2021
Paper Title	College Strategic Risk Register
Agenda Item	21.37
Paper Number	21.37A, 21.37B, 21.37C
Responsible Officer	Janet Thomson, Vice Principal Resources and College Development
Status	Disclosable
Action	For Discussion

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### 1 REPORT PURPOSE

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

### 2 RECOMMENDATION

- 2.1 Committee Members are invited to discuss this paper.

### 3 BACKGROUND

- 3.1 The College's Strategic Risk Register as at 21<sup>st</sup> September 2021 is attached as Appendix A.

### 4.0 UPDATES TO THE RISK REGISTER SINCE LAST REPORT TO COMMITTEE

- 4.1 The changes since last reported to the Board in June are highlighted in red and further detail on the reasons for any changes are given in the following paragraphs 4.2 to 4.4. Also, as per the recommendation in the recent Internal Audit Report on Risk Management and Business Continuity Planning a new column has been added to compare the residual risk scores to the College Risk Appetite as explained in paragraphs 4.5 to 4.8 below.
- 4.2 The mitigating actions for risk F2 which is **Failure to achieve contracted overall teaching delivery targets for any key partner (SFC/SDS/ESF)** have been amended to add an additional mitigating action which is to "continue to seek clarity on different SFC credits streams for 2021/22 & impacts for the College". This additional action item has been added due to



the wider range of SFC credit streams for 2021/22 where there are now five different SFC credit types as below :-

- i. Core credits
- ii. ESF credits (ending as separate credits after 2021/22)
- iii. Young Persons Guarantee/ National Transition Training Fund Credits (new from 2020/21)
- iv. Foundation Apprenticeship credits (new for 2021/22 and to be embedded in core in 2022/23)
- v. Deferred students credits (new in 2021/22 and anticipated to be for one year only)

Although the risk score has not been increased overall for risk F2 this wider range of credit types all with their own requirements to be met has created a more complex planning and monitoring position across SFC credits and the related target delivery of activity.

- 4.3 Risk F3 which is **Failure to reduce College cost base on managed basis to meet requirements of the three year financial forecast** has had the mitigating actions updated to reflect in the narrative the progress updates since the Risk Register was last reported to the Board. This reflects that the plans to date have been implemented on reducing the staff cost base for the future and that the 2021/22 Revenue Budget has been approved. The Financial Forecast Return (FFR) for 2021/22 to 2023/24 is now being prepared to consider the future financial horizon and potential future cost base. This is due to be sent to SFC by mid October and will be reported to the Board at its October meeting. The recent assumptions notified to the sector by the SFC to be used for the FFR propose a higher level of SFC income uplift than previously included.
- 4.4 Risk F4 **Adverse Funding changes in 2021/22(SFC/SDS/ ESF) and future years** has been amended with the heading of the risk being rolled forward one year and updating the mitigating actions to reflect that the 2021/22 allocations are now finalised.
- 4.5 As indicated above a new column has been added to the Risk Register to review the residual score of each risk against the College's Risk Appetite as recommended in a recent internal audit report.
- 4.6 The College's Risk Appetite as last reviewed by the Board in October 2020 is attached as Appendix B which uses the HM Treasury Orange Book Categories of Risk Appetite levels. This has five categories and these were used against four areas for the College i.e. strategic and operational delivery, reputation and credibility, financial/VFM, and compliance/legal/ regulatory. From this assessment by the Board each of the four areas was categorised



as Open as shown in the shading in Appendix B and hence the overall College Risk Appetite was assessed as Open.

- 4.7 The comparison of each risk score in the Strategic Risk Register to the College Risk Appetite has been done using the Risk Scoring Mapping document as attached in Appendix C which uses the banding of risk scores across the five appetite HM Treasury categories i.e. Averse, Minimalist, Cautious, Open and Hungry.
- 4.8 The new column in the Risk Register shows the comparison of the residual risk score for each risk against the risk scoring mapping and indicates where the risk score is higher than, equal to or lower than the College Risk Appetite of Open (which is the score range of 15 to 19 for the residual risk). Overall there is only one risk score which is above the College's Risk Appetite score band level which is risk **F1 Failure to achieve surplus targets for commercial activity/Failure to achieve/maintain planned levels of non-SFC income** where the residual risk score is 20. There are three risks which have a score equal to the Open level, and ten risks which are below the score level at either Cautious (six risks), Minimalist (three risks) or Averse (one risk) levels. The outcome of this comparison process to Risk Appetite will be discussed at the Committee.

## 5 RISK ANALYSIS

- 5.1 The College Strategic Risk Register is a key part of the College's risk management framework.

## 6 LEGAL IMPLICATIONS/FINANCIAL IMPLICATIONS/REGIONAL OUTCOME AGREEMENT IMPLICATIONS

- 6.1 The College is required to have a risk register as part of the Financial Memorandum and the financial implications are detailed within the financial risks section of the College Strategic Risk Register. The College also submits its Risk Register to GCRB who review the Risk Registers of the three Glasgow Colleges as well as having their own Risk Register.

## 7 HAS AN EQUALITY IMPACT ASSESSMENT BEEN CARRIED OUT?

- 7.1 N/A

GLASGOW CLYDE COLLEGE - STRATEGIC RISK REGISTER										Key for Risk Appetite Residual Score Comparison: 1-6 = Averse, 7-9 = Minimalist, 10-14 = Cautious, 15-19 = Open, 20-25 = Hungry						
Risk Ref	Risk Description	Risk Category	Link to Strategic Plan Themes	Risk Owner	Score Before Mitigating Actions			Mitigating Actions	Score After Mitigating Actions							
					Probability	Impact	Risk Score		Probability	Impact	Risk Score	Score compared to College risk appetite (see key above)	Risk Ranking after mitigating actions	Risk Timing Short / Medium / Long Term	Risk Score at last report to the Board	Risk Increasing/ Decreasing/ No Change
<b>Financial Risks</b>																
F1	Failure to achieve surplus targets for commercial activity/Failure to achieve/maintain planned levels of non-SFC income	Financial / COVID impacts	Theme 2 and 5 - Partner of Choice and Financial Resilience through Operational Excellence	Assistant Principal International and Business Development	5	5	25	<p><b>Short term</b></p> <p>i) Revised commercial income/surplus plan now for 2020/21 and plan to rebuild for future years by each sector area based on medium and long term impacts following COVID 19 virus.</p> <p>ii) F/WDF key element of total activity and increased level during 2020/21</p> <p>iii) Greater use of digital marketing to promote course areas as effectively as possible</p> <p><b>Long Term</b></p> <p>iv) Regular monitoring between Business Development Unit, External Funding Unit and Faculty Management of commercial activity/non-SFC activity and future replacement activity will be identified as far as can be estimated however significant impacts from COVID through 2020/21 at least.</p> <p>v) Pipeline of activity being re-established as much as possible based on on-line or on-site delivery</p> <p>vi) Costing templates completed for all commercial activity. In year staff costs transfers of permanent staff costs.</p> <p>vii) Increased engagement and marketing effort during COVID to try to maintain as much of business as possible and to open and grow new income streams e.g. for retraining.</p> <p>viii) Spread of activity across a range of activity areas to reduce risk of one large contract failure to overall surplus.</p> <p>ix) Review and develop market opportunities through business development strategy and growing new markets.</p> <p>x) Keep informed of constitutional change implications of Brexit and impact on non-SFC activity for the College. Involvement in College sector Brexit forum.</p> <p>xi) Continued work with key partners to ensure successful projects delivered and funding maintained as much</p>	4	5	20	Higher than risk appetite (Hungry)	F1	Short	20	No change
F2	Failure to achieve contracted overall teaching delivery targets for any key partner (SFC/SDS/ESF)	Financial/ Organisations / COVID impacts	Theme 2 and 3 - Partner of choice and Unrivalled Student Experience	Vice Principal - Curriculum & External Relations	5	4	20	<p><b>Short Term</b></p> <p>i) Regular analysis and reporting of progress against SFC credits target for teaching delivery which is discussed at each Senior Leadership Team and Curriculum Assistant Principals meetings.</p> <p>ii) Continue to seek clarity on different SFC credits streams for 2021/22 &amp; impacts for College</p> <p>iii) Focused support for students to deliver student experience and to ensure stated teaching activity targets are met.</p> <p>iv) Closely monitor tuition fees income to assess potential COVID impacts on income</p> <p><b>Long Term</b></p> <p>v) Annually plan and deliver portfolio to required quality standards, ensuring appropriate recruitment, and improved retention of students.</p> <p>vi) Discussions within Glasgow Colleges Group and with other partners to plan curriculum and make changes annually to meet market needs and Government and SFC guidance</p> <p>vii) Work closely with relevant partners to ensure programmes implemented as planned</p> <p>viii) Aim to ensure annually all relevant agency (e.g. SDS) milestones and documentation requirements achieved</p> <p>ix) College undertake effective competitor analysis, clear branding and focused marketing to maintain effective student recruitment. Again significant COVID impacts on ongoing basis.</p>	4	4	16	As per Risk Appetite (Open)	F2	Short	16	No change
F3	Failure to reduce College cost base on managed basis to meet requirements of the three year financial forecast	Financial/ Organisations / COVID impacts	Theme 5 - Financial Resilience through Operational Excellence	Principal/ Vice Principals	5	5	25	<p><b>Short Term</b></p> <p>i) Revenue budget Financial-plan approved for 2020/21 to-2022/23-which-shows-required-cost-reductions-based-on-anticipated-income-reductions-due-to-COVID-impacts-</p> <p>ii) Cost reduction plan-being implemented in 2020/21 with which-requires reduction in staff levels and significant cuts in non-staff budgets across the College where-possible. VS Reductions and academic management restructure-now-being-implemented.</p> <p><b>Long Term</b></p> <p>iii) Process of review of all areas to seek cost reductions, as well as seeking further efficiency through improved business processes.</p> <p>iv) First staff restructure from October 2019 through use of VS scheme with required agreement with GCRB and SFC.</p> <p>v) Successful bid to GCEF for additional funding support from November 2020.</p> <p>vi) Discussion on future potential changes being taken forward.</p> <p>vii) Zero based budgeting from 19/20 onwards for non-staff costs.</p> <p>viii) Five year financial plan from 2021/22 to 2025/26 being prepared.</p>	3	5	15	As per Risk Appetite (Open)	F3	Medium	15	No change

GLASGOW CLYDE COLLEGE - STRATEGIC RISK REGISTER										Key for Risk Appetite Residual Score Comparison: 1-6 = Averse, 7-9 = Minimalist, 10-14 = Cautious, 15-19 = Open, 20-25 = Hungry						
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, FWFDF = Flexible Workforce Development Fund, VLE = Virtual Learning Environment, DELTA project = Delivering Excellence in Learning, Teaching and Assessment, VPN = Virtual Private Network										as at 21st September 2021						
Risk Ref	Risk Description	Risk Category	Link to Strategic Plan Themes	Risk Owner	Score Before Mitigating Actions			Mitigating Actions	Score After Mitigating Actions							
					Probability	Impact	Risk Score		Probability	Impact	Risk Score	Score compared to College risk appetite (see key above)	Risk Ranking after mitigating actions	Risk Timing Short / Medium / Long Term	Risk Score at last report to the Board	Risk Increasing/ Decreasing/ No Change
F4	Adverse Funding changes in 2021/22 2020/21(SFC/SDS/ESF) and future years	Financial / COVID Impacts	Theme 5 - Financial Resilience through Operational Excellence	Principal/ Vice Principals	4	5	20	<p><b>Short Term</b></p> <p>i) Financial plans developed by College Senior Leadership Team and monitored within framework of available activity 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 2020/21 being monitored with blended/ on line activity where possible.</p> <p>ii) College working to achieve Flexible Workforce Development Fund target levels however this was impacted by COVID 19 arrangements and number of the related areas now moved to on line delivery.</p> <p>iii) <del>indicative</del> Funding allocations for 2021/22 <del>now finalised, have-been-provided-and-being-discussed</del></p> <p><b>Long Term</b></p> <p>iv) Continue to aim to inform and influence funding allocations through Principals' Forum, Glasgow Colleges Regional Board, MSPs, and other appropriate bodies.</p> <p>v) Work with Colleges Scotland and Scotland's Colleges Partnership on lobbying regarding impact on ESF funding and development of future alternative resources. Closely monitor ESF delivery levels and suitable record keeping.</p> <p>vi) Projects progressed to address priority items as per College Capital masterplan based on affordability.</p>	3	4	12	Lower than Risk Appetite (Cautious)	F4	Medium	12	No change


GLASGOW CLYDE COLLEGE - STRATEGIC RISK REGISTER										Key for Risk Appetite Residual Score Comparison: 1-6 = Averse, 7-9 = Minimalist, 10-14 = Cautious, 15-19 = Open, 20-25 = Hungry									
Score Before Mitigating Actions										Score After Mitigating Actions									
Risk Ref	Risk Description	Risk Category	Link to Strategic Plan Themes	Risk Owner	Probability	Impact	Risk Score	Mitigating Actions	Probability	Impact	Risk Score	Score compared to College risk appetite (see key above)	Risk Ranking after mitigating actions	Risk Timing Short / Medium / Long Term	Risk Score at last report to the Board	Risk Increasing/ Decreasing/ No Change			
<b>Organisational Risks</b>																			
O1	Failure of College operational processes/ ICT infrastructure including risk of cyber attack or fraud	Organisational / COVID impacts	Theme 5 - Financial Resilience through Operational Excellence	Vice Principal Resources & College Development & Vice Principal-Curriculum & External Relations	4	5	20	<b>Short Term</b> i) Monitoring systems in place across College and feedback from relevant staff. Any issues addressed as necessary and action taken. Plans ensure key systems security / performance not impacted during periods of financially challenging budget. Many systems/services cloud based and using VPN/remote desktop for staff to access systems while home working. Delivered laptops and wireless devices to staff and students who need them within the available resources levels. <b>Long Term</b> 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 with tape/offsite and cloud backups of critical systems. v) Member of HE/FE Shared Technology and Information Services (HEFESTIS) which provides support to secure against cyber attack and regular ICT network penetration testing undertaken by external bodies. vi) ICT backup procedures and Disaster Recovery planning. Cyber essentials+ status maintained. vii) Enterprise Malware detection and Web filtering technology and room based uninterruptable power supply in place with ICT climate monitoring facilities. viii) Fraud response plan in place	4	4	16	As per Risk Appetite (Open)	O1	Medium	16	No Change			
O2a	Negative impact on employee relations at a National level (e.g. national bargaining, industrial action)	Organisational / Reputational	Theme 4 - Employer of Choice	Principal/ Assistant Principal HR	4	5	20	<b>Short Term</b> i) Focussed work with Trade Unions, specific and regular meetings with senior management, ensuring good flow of information, and ongoing communications on any national matters. <b>Long Term</b> ii) Representation made through Employers Association Group, Colleges Scotland, Principals Forum, and GCRB, within national bargaining process. iii) Emphasis being made nationally on imperative of financial sustainability and affordability issues particularly given increased staffing costs and challenges of the Glasgow Regional context. iv) Business continuity planning used to ensure all stakeholders appropriately communicated with in any potential industrial action.	3	5	15	As per Risk Appetite (Open)	O2a	Short	15	No change.			
O2b	Negative impact on employee relations at a local College level (e.g. local consultation)	Organisational / Reputational	Theme 4 - Employer of Choice	Principal/ Assistant Principal HR	4	5	20	<b>Short Term</b> 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) COVID 19 related communication sent regularly to all staff from the Principal and union involvement in risk assessment discussions <b>Long Term</b> iv) Discussion with unions on impact on College financial sustainability and organisational impacts. v) Business continuity planning used to ensure all stakeholders appropriately communicated with in any potential industrial action. vi) Ensure transparency of College consultation process to maximise opportunities for enhanced communications with Trade Unions	3	4	12	Lower than Risk Appetite (Cautious)	O2b	Short	12	No change			
O3	Failure to achieve acceptably high standard quality of teaching delivery and support for students and suitable student experience	Organisational / Financial/ COVID impacts	Theme 1 & 3 - Inspirational Learning & Teaching & Unrivalled Student Experience	Vice Principal - Curriculum & External Relations	5	5	25	<b>Short Term</b> i) Regular monitoring of teaching KPIs across relevant curriculum measures and actions implemented to develop improvement strategies. ii) Quality Assurance processes undertaken through annual cycle of activities including self evaluation, verification, feedback and audit. iii) Heads of Curriculum and Unit Managers monitor quality and delivery of service and implement actions for improvement. Extensive training on Teaching, Assessment and E learning ensure staff are updated and enabled to deliver a high quality learning experience. iv) Faculty staff work with students association, class reps and student feedback mechanisms to monitor feedback on quality and follow up on any issues v) Monitor feedback from student focus groups on student experience <b>Long Term</b> vi) Significant deployment of digital resources to learners in areas of need to enhance delivery of blended learning approaches as well as the enhanced use of the VLE vii) A range of student feedback mechanisms are used to gather and inform improvement activities to improve the wider student experience. Development of classroom observation protocol as intimated in national bargaining. viii) Collaboration between teaching and support teams to ensure improvements and efficiencies are delivered where possible across College business processes and to deliver quality of services. ix) The DELTA E-Learning project and Research & Development Programme support a significant number of staff through capacity building, training and mentoring focused on delivering effective learning & teaching.	3	4	12	Lower than Risk Appetite (Cautious)	O3	Medium	12	No change			



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Key for 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, FWFDF = Flexible Workforce Development Fund, VLE = Virtual Learning Environment, DELTA project = Delivering Excellence in Learning, Teaching and Assessment, VPN = Virtual Private Network										as at 21st September 2021									
Risk Ref	Risk Description	Risk Category	Link to Strategic Plan Themes	Risk Owner	Score Before Mitigating Actions			Mitigating Actions	Score After Mitigating Actions										
					Probability	Impact	Risk Score		Probability	Impact	Risk Score	Score compared to College risk appetite (see key above)	Risk Ranking after mitigating actions	Risk Timing Short / Medium / Long Term	Risk Score at last report to the Board	Risk Increasing/ Decreasing/ No Change			
O4	Failure in any area of College data management processes	Organisational / Reputational/ COVID impacts	Theme 5 - Financial Resilience through Operational Excellence	Vice Principal Resources & College Development & Vice Principal-Curriculum & External Relations	4	5	20	<b>Short Term</b> i) Ongoing monitoring by ICT of any potential systems being targeted ii) Multi Factor Authentication being rolled out across College staff <b>Long Term</b> iii) Key business systems and processes contain range of controls with agreed practices and staff training and communication on practices/guidelines. Role based user access restrictions in place. iv) Procedures and guidance in place including guide for staff on information and data security with a list of key do's and don'ts v) Data protection officer works closely with managers on any data protection matters. Clear procedures and guidelines in place including process for any potential data breaches. vi) Data privacy notices for the College in place and published and data sharing agreements with other organisations are established. vii) Document retention scheme in place for all key record types viii) Member of HE/FE Shared Technology and Information Services (HEFESTIS) which provides information on data management and any sectoral updates. ix) Homeworking guidance in place for staff x) External agencies assurance & audit processes review areas of data management and any recommendations followed up.	3	4	12	Lower than Risk Appetite (Cautious)	O4	Medium	12	No change			
O5	High Impact Disaster for College e.g. fire, long term power loss	Organisational/ COVID impacts	Theme 5 - Financial Resilience through Operational Excellence	Vice Principal Resources & College Development	3	5	15	<b>Long Term</b> 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.	3	4	12	Lower than Risk Appetite (Cautious)	O5	Medium	12	No change			
O6	Failure to achieve a sustainable fit for purpose College estate	Organisational / Financial	Theme 1 & 5 - Inspirational Learning & Teaching & Financial Resilience through Operational Excellence	Vice Principal Resources & College Development	4	4	16	<b>Short Term</b> i) Need to plan within College tight resources due to financially challenging budget and items rephased as required. ii) Monitor use of College estate as result of COVID impacts and updated cleaning regime in place. iii) Plans for projects for use of the estates high priority maintenance funding <b>Long Term</b> iv) Capital masterplan in place and related to need/estates condition survey. Funding for very high priority items allocated by GCRB to College. v) Work with GCRB and SFC to ensure fully informed of estates requirements. vi) Estates Strategy Review completed	3	3	9	Lower than Risk Appetite (Minimalist)	O6	Long	9	No change			
O7	Failure to recruit and retain an appropriately skilled and effective workforce	Organisational / Reputational	Theme 1 & 4 - Inspirational Learning & Teaching & Employer of Choice	Assistant Principal HR	3	5	15	<b>Short Term</b> i) Maintain open channels of communication with trade unions, college managers and their staff, and effective attendance management process in place. ii) Cover arranged as required for absence of key staff members. iii) Need to manage to retain appropriate staff through challenge of restructures <b>Long Term</b> iv) College Strategic Theme of Employer of choice with attractive overall terms and conditions e.g. pension schemes, flexible working. v) All new staff have an induction process and annual training programme undertaken. vi) Appropriate CPD provided for staff to meet identified skills gaps vii) Managers work with their staff to consider any enhancements to skillsets and access to training e.g. webinars. General risk across staff in new levels of home working. viii) Recruitment and retention of staff for a few skills areas remains challenging and College continues to use a range of approaches as appropriate.	2	4	8	Lower than Risk Appetite (Minimalist)	O7	Medium	8	No change			

GLASGOW CLYDE COLLEGE - STRATEGIC RISK REGISTER										as at 21st September 2021									
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Risk Ref	Risk Description	Risk Category	Link to Strategic Plan Themes	Risk Owner	Score Before Mitigating Actions			Mitigating Actions	Score After Mitigating Actions										
					Probability	Impact	Risk Score		Probability	Impact	Risk Score	Score compared to College risk appetite (see key above)	Risk Ranking after mitigating actions	Risk Timing Short / Medium / Long Term	Risk Score at last report to the Board	Risk Increasing/ Decreasing/ No Change			
<b>Governance Risks</b>																			
G1	Failure to comply with Health and Safety and Safeguarding requirements	Organisational/ COVID Impacts	Theme 1 & 5 - Inspirational Learning & Teaching & Financial Resilience through Operational Excellence	Assistant Principal HR	4	5	20	<b>Short Term</b> i) COVID related operating arrangements discussed at SLT. ii) Full review of Health and Safety Policy and Procedures being undertaken <b>Long Term</b> iii) Glasgow Clyde College Health and Safety and Safeguarding Committee and Campus Forums meet regularly to monitor health and safety arrangements and any issues are raised. iv) Safeguarding officers and safeguarding forum on each campus v) Health and Safety Officers working across the three campuses and ensure annual cycle of health and safety audits are completed vi) Regular reporting on Health and Safety to Organisational Development Committee as part of their remit requirements	2	5	10	Lower than Risk Appetite (Cautious)	G1	Short	10	No change			
G2	Failure to meet all legislative and regulatory requirements and/or recommended guidance	Governance/ Reputational/ COVID Impacts	Theme 2, 4 & 5 - Partner of choice, Employer of Choice, & Financial Resilience through Operational Excellence	Principal/ Clerk to the Board	4	5	20	<b>Short Term</b> i) Close involvement in ongoing discussions on COVID 19 implications with SFC and representative forums to contribute towards sector input to seek support for current and future resultant challenges ii) Ongoing engagement at Board and Senior Leadership Team level with the SFC Review <b>Long Term</b> iii) Work within roles, responsibilities and legal implications of Legislation and associated related guidance. iv) 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. v) Individual managers required to keep up to date with legislation relating to their areas and implement appropriate controls vi) Ensure Board have appropriate training on key guidance and legislation and take proactive role in ensuring meet all requirements. vii) Modern Slavery statement in place viii) Quality audit process in place and DELTA project delivering greater levels of blended learning with staff. Internal audit review process considers range of areas annually. ix) Seek legal advice as required. x) Data Protection Officer in place to advise on General Data Protection Regulation/ Data Protection matters.	3	3	9	Lower than Risk Appetite (Minimalist)	G2	Medium	9	No change			
G3	Failure to recruit, train and retain an appropriately experienced Board of Management	Governance	Theme 1, 2, 3, 4 & 5 - inspirational Learning & Teaching, Partner of Choice, Unrivalled Student Experience, Employer of Choice, & Financial Resilience through Operational Excellence	Clerk to the Board	3	4	12	<b>Long Term</b> i) Continue to maintain membership of Board of Management at suitable level with the correct level and mix of skills. Succession planning taking place with the Nominations Committee considering future vacancies well in advance. ii) Recruitment of new Board members to consider diversity of membership (e.g. gender and ethnic background) iii) Annual self assessment for Board members and training provided as required. iv) Board effectiveness review completed. v) Induction provided for all new Board members. vi) Ensure Board undertake an ongoing programme of training to meet CPD needs. vii) Board member handbook in place and an annual review/update to be undertaken.	2	3	6	Lower than Risk Appetite (Averse)	G3	Medium	6	No change			

### College Risk Appetite – Classification by Risk Activity Area

	<b>1 Averse</b>	<b>2 Minimalist</b>	<b>3 Cautious</b>	<b>4 Open</b>	<b>5 Hungry</b>
Overall 	Avoidance of risk and uncertainty is a key organisational objective	Preference for ultra-safe business delivery options that have a low degree of inherent risk and only have a potential for limited reward	Preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward	Willing to consider all potential delivery options and choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward	Eager to be innovative and to choose options offering potentially higher business rewards (despite great inherent risk).
Category of Risk	Example behaviours when taking key decisions				
Strategic and Operational Delivery	<ul style="list-style-type: none"> <li>Defensive approach to objectives – aim to maintain rather than innovate</li> <li>Priority for tight management controls and oversight with limited devolved decision making authority</li> <li>General avoidance of systems/ technology developments</li> </ul>	<ul style="list-style-type: none"> <li>Innovations always avoided unless essential</li> <li>Decision making authority held by senior management</li> <li>Only essential systems/ technology developments to protect current operations</li> </ul>	<ul style="list-style-type: none"> <li>Tendency to stick with the status quo, innovations generally avoided</li> <li>Decision making authority generally held by senior management</li> <li>Systems/technology developments limited to improvements to protection of current operations</li> </ul>	<ul style="list-style-type: none"> <li>Innovations supported, with demonstration of commensurate improvements in management control</li> <li>Systems/ technology developments considered to enable operational delivery.</li> <li>Responsibility for non-critical decisions may be devolved</li> </ul>	<ul style="list-style-type: none"> <li>Innovation pursued – desire to break the mould and challenge current working practices</li> <li>New technologies viewed as a key enabler of operational delivery</li> <li>High levels of devolved authority – management by trust rather than tight control</li> </ul>
Reputation and credibility	<ul style="list-style-type: none"> <li>Minimal tolerance for any decisions that could lead to scrutiny of the College</li> </ul>	<ul style="list-style-type: none"> <li>Tolerance for risk taking limited to those events where there is no chance of any significant repercussions for the College</li> </ul>	<ul style="list-style-type: none"> <li>Tolerance for risk taking limited to those events where there is little chance of any significant repercussions for the College should there be a failure</li> </ul>	<ul style="list-style-type: none"> <li>Appetite to take decisions with potential to expose the College to additional scrutiny but only where appropriate steps have been taken to minimise any exposure</li> </ul>	<ul style="list-style-type: none"> <li>Appetite to take decisions that are likely to bring scrutiny of the College but where the potential benefits outweigh the risks</li> </ul>
Financial/VFM	<ul style="list-style-type: none"> <li>Avoidance of financial loss is a key objective</li> <li>Only willing to accept the low cost option</li> <li>Resources withdrawn from non-essential activities</li> </ul>	<ul style="list-style-type: none"> <li>Only prepared to accept the possibility of very limited financial loss if essential</li> <li>VFM is the primary concern</li> </ul>	<ul style="list-style-type: none"> <li>Prepared to accept the possibility of some financial loss</li> <li>VFM still the primary concern but willing to also consider the benefits</li> <li>Resources generally restricted to core operational targets</li> </ul>	<ul style="list-style-type: none"> <li>Prepared to invest for reward and minimise the possibility of financial loss by managing the risks to a tolerable level</li> <li>Value and benefits considered ( not just cheapest price)</li> <li>Resources allocated in order to capitalise on potential opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Prepared to invest for the best possible reward and accept the possibility of financial loss (although controls may be in place)</li> <li>Resources allocated without firm guarantee of return</li> </ul>
Compliance/Legal/Regulatory	<ul style="list-style-type: none"> <li>Avoid anything that could be challenged, even unsuccessfully</li> </ul>	<ul style="list-style-type: none"> <li>Want to be sure we would win any challenge</li> </ul>	<ul style="list-style-type: none"> <li>Want to be reasonably sure we would win any challenge</li> </ul>	<ul style="list-style-type: none"> <li>Challenge will be problematic but we are likely to win it and gain will outweigh the adverse consequences</li> </ul>	<ul style="list-style-type: none"> <li>Chances of winning are less certain but success would be significantly advantageous.</li> </ul>

## Mapping the Risk Appetite scores to the Residual Risk Score

Risk Classification	Risk Score	Colour	HM Treasury Orange Book Category
<b>VERY HIGH</b>	Risks with a score of above 20		5 - Hungry
<b>HIGH</b>	Risks with a score of between 15 and 19		4 - Open
<b>SIGNIFICANT</b>	Risks with a score of between 10 and 14		3 - Cautious
<b>MODERATE</b>	Risk with a score of between 7 and 9		2 - Minimalist
<b>LOW</b>	Risks with a score lower than 7		1 - Averse



## AUDIT COMMITTEE MEETING

Date of Meeting	29 September 2021
Paper Title	Audit Committee Terms of Reference and Schedule of Work 2021/22
Agenda Item	21.40
Paper Number	21.40
Responsible Officer	Christine McConnell, Clerk to the Board
Status	Disclosable
Action	For Noting

### 1 **REPORT PURPOSE**

The purpose of this report is to ask the Committee:-

- (1) to note the Committee's Remit contained in Appendix 1;
- (2) to note the Schedule of Work for the forthcoming session as contained in Appendix 2; and
- (3) to consider the recommendation in the Board Development Plan 2021/22 that each Committee should consider using co-opted members.

### 3. **BACKGROUND**

**3.1** In accordance with the Code of Good Governance, the scope of the Audit Committee's work must be defined in its Terms of Reference and encompass all of the assurance needs of the board and the principal. The Audit Committee's current Terms of Reference are attached at Appendix 1.

**3.2** The Schedule of Work attached at Appendix 2 has been prepared to programme the Committee's workload for the forthcoming session. This schedule is, of course, subject to change, in line with the Board and Committee's priorities.

**3.3** In accordance with the recommendation from the externally facilitated review of the College's governance arrangements completed in April 2021 which has been incorporated into the Board Development Plan for 2021/22, each of the Board's Committees is asked to consider using co-opted members.

### 4. **ACTIONS FOR COMMITTEE**

**4.1** The Committee is asked to note the Terms of Reference and the Schedule of Work and to consider whether any co-opted members should be invited to contribute to future meetings

### 5. **RISK ANALYSIS** N/A



- 6. LEGAL IMPLICATIONS/ FINANCIAL IMPLICATIONS/ REGIONAL OUTCOME AGREEMENT IMPLICATIONS**  
Ensuring Committee remit is accurate is essential to ensure competency of decisions
- 7. HAS AN EQUALITY IMPACT ASSESSMENT BEEN CARRIED OUT**  
N/A

## APPENDIX 1

### AUDIT COMMITTEE

#### TERMS OF REFERENCE

These functions are delegated by the Board of Management to the Audit Committee

#### REMIT

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.

#### 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.

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 re-appointment 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 the internal audit reports and internal audit annual reports.

Considering salient issues arising from internal audit reports and management's responses and report to the Board on such matters.

Informing the Board of Management of the Audit Committee's approval of the internal audit service's annual report.

Ensuring establishment of appropriate performance measures and indicators to monitor the effectiveness of the IAS.

Securing and monitoring appropriate liaison and co-ordination between internal and external auditors.

Ensuring good communication between the Committee and the Lead of IAS.

Responding appropriately to notification of fraud or other improprieties received from the Lead of IAS or other persons. This will include 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

Reviewing the external auditor's annual Management Letter and monitoring management action on the implementation of the agreed recommendations.

Advising the Board of Management of salient issues arising from the external auditor's Management letter and other external audit reports and of management's response.

Reviewing the statement of Corporate Governance.

Holding discussions with the external auditors and ensuring their attendance at Audit Committee and Board of Management meetings as required.

Considering the objectives and scope of any non-statutory audit work undertaken or to be undertaken by the external auditor and advising the Board of Management of any potential conflict of interest.

Securing and monitoring appropriate liaison and co-ordination between external and internal audit.

#### VALUE FOR MONEY

Establishing and overseeing a review process for evaluating the effectiveness of the College's arrangements for securing the economical, efficient and effective management of the College's resources and the promotion of best practice and protocols and reporting to the Board of Management on such matters.

Ensuring there are appropriate processes in place in the College to deliver value for money.

Advising the Board of Management of action that it may wish to consider in the light of national value for money studies in the further education sector.

#### RISK MANAGEMENT

Reviewing the College's risk management arrangements and Risk Management Policy on an annual basis.

Reviewing the College Strategic Risk Register at least twice per year or as requested by the Chair of the Committee to ensure that the College's approach to managing risk is appropriate.

The Board of Management is responsible for the review and effectiveness of the College risk management arrangements and should form its own opinion despite these delegations to the Committee.

#### GOVERNANCE AND COMPLIANCE

Reviewing the College's compliance with the Code of Good Governance for Scotland's Colleges and advising the Board of Management on this. As part of this, the Committee shall satisfy itself that other Board committees provide assurance to the Board, as appropriate, on their governance related activities. Producing an annual report for the Board of Management.

Advising the Board of Management of significant, relevant reports from the Scottish Funding Council and Audit Scotland and successor bodies and, where appropriate, management's response to these. Reviewing reported cases of impropriety to establish whether they have been appropriately handled.

Act in accordance with the whistle blowing policy.

Undertake a regular self-evaluation of the Committee.

Meet in private with the internal and external auditors at least once annually.

Liaise as appropriate with the Finance and Resources Committee.

## MEMBERSHIP

The membership of the Committee is six Board members, of which one will provide the role of Chair of the Committee and one will act as Vice Chair if elected. The Chair is elected by the Board of Management and the Vice chair is elected by the Committee. There should be no overlap of Board members with the Finance and Resources Committee. The Chair of the Board should not be a member of the Audit Committee although he/she can attend as an observer.

The membership should include a qualified accountant and if no member of the Committee is a qualified accountant then arrangements should be made for co-option. A staff member of the Board can be a member of the Audit Committee provided 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, vice Principal Resources and College Development and the Assistant Principal Finance and Infrastructure attend the Committee as advisors. The Committee meets at least four times per year.

## QUORUM

The quorum set by the Committee is three members.

VERSION REVIEWED AND APPROVED JUNE 2020

## APPENDIX 2

### Glasgow Clyde College Audit Committee Schedule of Work 2021/22

<b>29 September 2021</b>
<b>For Discussion / Decision</b>
Audit Committee Schedule of Work
Internal Audit Reports as per Plan
Internal Audit 2020/21 Plan Progress and Plan for 2021/22
College Assurance Framework Update
College Strategic Risk Register
Data Protection Update
<b>For Information/ Noting</b>
Internal & External Audit Rolling Action Plan
Audit Scotland Report: Scotland's Colleges 2021 (as available)

Updates from SFC ( if available)
<b>24th November 2021</b>
<b>For Discussion / Decision</b>
Audit Committee Schedule of Work
Report on Going Concern
Draft Annual Financial Statements for year ending 31 July 2021
External Audit Annual Report for year ending 31 July 2021
Final Internal Audit Annual Report 2020/21
College Assurance Framework Update
Draft Annual Report from Audit Committee to Board of Management
Student Activity Data Audit Annual Report 2020/21
Student Support Funds Audit Annual Report 2020/21
Cyber Security Update
<b>For Information/ Noting</b>
Internal and External Audit Rolling Action Plan
Strathclyde Pension Fund Actuarial Valuation Report – Accounting Assumptions
National Fraud Initiative 2020/21 Exercise
College Strategic Risk Register
Private meeting with internal and external auditors
Updates from SFC ( if available)
<b>2<sup>nd</sup> March 2022</b>
<b>For Discussion/ Decision</b>
Audit Committee Schedule of Work
Internal Audit Reports as per Plan
Internal Audit 2021/22 Plan Progress
College Strategic Risk Register
Data Protection Update
<b>For Information/Noting</b>
Internal & External Audit Rolling Action Plan
Updates from SFC ( if available)
<b>25<sup>th</sup> May 2022</b>
<b>For Discussion/Decision</b>
Audit Committee Schedule of Work
Internal Audit Reports – as per Plan
Internal Audit Plan 2021/22 Plan Progress and Plan for 2022/23
External Audit Planning Memorandum for 2021/22
Certificate of Assurance
College Strategic Risk Register
College Assurance Framework
Cyber Security Update
Fraud Response Plan
Approval of Accounting Policies
Internal & External Audit Rolling Action Plan