

Audit Committee Meeting

Date of Meeting	Thursday 17 January 2019
Paper Title	Internal Audit Reports – Assigned Colleges 2017-18
Agenda Item	10
Paper Number	AC3-F
Responsible Officer	Jim Godfrey, Finance & Resources Director
Status	Disclosable
Action	For Decision

1. Report Purpose

- 1.1. Consider a summary of the internal audit annual reports for the Glasgow region assigned colleges for 2017-18.

2. Recommendations

- 2.1. The Committee is invited to **note** the report and the assurance provided by the opinion of the Internal Auditor (set out in paragraphs 1.4 to 1.6. of the report).

3. Report

- 3.1. At its previous meeting, the Audit Committee requested a summary of the annual internal audit reports of the assigned colleges. This report has been prepared by the Internal Auditor and is provided to the Committee for consideration.
- 3.2. As can be seen from the report, all three colleges are considered to have adequate and effective arrangements for risk management, control and governance. There is one exception to this in respect of the 2017-18 Student Activity Audit at Glasgow Kelvin College. This exception is reported in paragraph 1.3 of the report whereby a qualified opinion was issued with regard to the record keeping for the Digital Inclusion flexible learning programme.

4. Risk Analysis

- 4.1. Consideration of this annual internal audit report provides assurance, and confidence, that the assigned colleges have adequate systems of internal control in place.

5. Equalities Implications

- 5.1. There are no equalities implications arising from this report.

6. Legal Implications

- 6.1. There are no legal implications arising from this report.

7. Resource Implications

7.1. There are no specific resource implications arising from this paper.

8. Strategic Plan Implications

8.1. Through the conditions of grant associated with the Regional Outcome Agreement, GCRB and the assigned colleges are required to conduct their affairs in accordance with the expected standards, which include effective arrangements for risk management, control and governance.

Glasgow Colleges' Regional Board

**Summary Report on the Internal Audit Annual Reports for the
Glasgow Region Assigned Colleges for 2017/18**

Draft Issued: 20 December 2018

Final Issued:

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I. Significant Issues and Overall Opinions

Significant Issues

City of Glasgow College

- 1.1 All work conducted in 2017/18 assessed systems as either 'Good' or 'Satisfactory', or provided an unqualified audit opinion on College returns, and there were therefore no significant issues identifying major internal control weaknesses arising from our internal audit work. In general, procedures were operating well in the areas selected, but a few areas for further strengthening were identified and action plans have been agreed to address these issues.

Glasgow Clyde College

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

Glasgow Kelvin College

- 1.3 With the exception of the 2017/18 Student Activity Data (Credits) audit, all work in 2017/18 assessed systems as either 'Good' or 'Satisfactory' or provided an unqualified opinion on College returns. Our Credits audit report included an exception in relation to record keeping for the Digital Inclusion flexible learning programme, which required to be improved to provide further assurance that the Credits claimed reflects progress made by students in undertaking all the activity required for the programme. There were no other significant issues identifying major internal control weaknesses arising from our internal audit work carried out. In general, procedures were operating well in the areas selected, but a few areas for further strengthening were identified and action plans have been agreed to address these issues. Further details are shown in Section 3 below.

Opinion

City of Glasgow College

- 1.4 In our opinion the College has adequate and effective arrangements for risk management, control and governance. Proper arrangements are in place to promote and secure Value for Money. This opinion has been arrived at taking into consideration the work we have undertaken during 2017/18. This included follow-up of recommendations made by the College's previous internal auditors.

Glasgow Clyde College

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

Glasgow Kelvin College

- 1.6 In our opinion, with the exception of the issue raised at paragraph 1.3 above, the College has adequate and effective arrangements for risk management, control and governance. Proper arrangements are in place to promote and secure Value for Money. This opinion has been arrived at taking into consideration the work we have undertaken during 2017/18 and in the previous year.

2. Summary of 2017/18 Outputs

City of Glasgow College

Number	Title	Overall Grade	Recommendations	Priority 1 / High	Priority 2 / Medium	Priority 3 / Low
2018/01	Annual Plan 2017/18	N/A	N/A	N/A	N/A	N/A
2018/02	Teaching Staff Utilisation - Timetabling	Satisfactory	5	-	2	3
2018/03	Student Engagement - Students Association	Good	0	0	0	0
2018/04	Business Development - International Activities	Satisfactory	14	0	1	13
2018/05	Data Protection - Freedom of Information	Satisfactory	6	0	0	6
2018/06	Infrastructure Contract Management - Help Desk	Good	3	0	0	3
2018/07	Learning Support	Satisfactory	5	0	0	5
2018/08	Follow-Up Reviews	N/A	4 of 33 recommendations required further action	0	2	2
2018/09	2017/18 Student Activity Data	N/A	0	0	0	0

2. Summary of 2017/18 Outputs (Continued)

Glasgow Clyde College

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

For Glasgow Clyde College both Credits and Student Support Funds are audited outwith the core internal audit programme. Unqualified audit opinions were provided for both elements for 2017/18.

2. Summary of 2017/18 Outputs (Continued)

Glasgow Kelvin College

Number	Title	Overall Grade	Recommendations	High /Priority 1	Medium /Priority 2	Priority 3
2018/01	Annual Plan 2017/18	N/A	N/A	N/A	N/A	N/A
2018/02	Corporate Planning	Good	-	-	-	-
2018/03	Payroll	Good	-	-	-	-
2018/04	Data Protection	Satisfactory	-	-	-	-
2018/05	IT Network	Satisfactory	5	-	-	5
2018/06	Business Development	Good	1	-	-	1
2018/07	Building Maintenance Asset Management	Satisfactory	5	-	1	4
2018/08	Follow-Up Reviews	N/A	5	-	5	-
2018/09	2017/18 Student Activity Data	Audit opinion qualified	4	1	1	2
2018/10	Student Support Funds	Audit opinion unqualified	-	-	-	-

3. Detail of significant issues identified in 2017/18

Glasgow Kelvin College

2018/09 – 2017/18 Student Activity Data

Final Issued - November 2018

In line with guidance issued by the SFC we considered the reasonableness of the procedures in place for the compilation of the credits related element of the FES return submitted to the SFC.

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

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

Our report to the SFC was submitted on 5 November 2018. We reported that, in our opinion:

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

Our sample of courses tested included a Digital Inclusion flexible learning programme which is delivered in collaboration with Glasgow Life at the Bridge Library Learning Centre ('the Bridge'). The SFC Credits guidance states that where a programme is delivered by open / distance (flexible) learning methods colleges should have procedures in place to: agree the likely duration of study; set time related milestones; and review progress. The Digital Inclusion flexible learning programme is designed to meet the needs of local communities through developing a variety of digital related competencies and skills which involves a less formal method of teaching and engagement compared to other part-time programmes offered by the College. As such we noted for the students enrolled on this programme at the Bridge there were no set milestones, no formal award for completion of the programme and attendance registers were not maintained. The College has advised that if the Digital Inclusion flexible learning programme was to be provided more formally (which would not work in the learning network setting as it requires flexible co-delivery) it would be at least a 40-hour notional learning length experience and it has claimed 1 Credit for each of the 1,906 students enrolled on this programme at the Bridge. A total of 3,108 Credits has been claimed in relation to students enrolled on the programme at other learning centres, although these programmes were not specifically covered by our audit testing. The College has acknowledged that administrative processes in place during session 2017/18 could have better demonstrated individual learner progress / continued engagement with the programme at the Bridge. The College has recognised that the learning network and its activities have expanded in recent years and that administrative processes and resources require to be reviewed to allow for this.

3. Detail of significant issues identified in 2017/18 (Continued)

Glasgow Kelvin College (Continued)

2018/09 – 2017/18 Student Activity Data (Continued)

For the sample of students tested at the Bridge we were able to obtain evidence of students enrolling on the programme and accessing the College's systems during the year through review of log-on statistics, however this evidence is not a complete record of the learning activities undertaken by each learner or the hours claimed. We have recommended that records for the Digital Inclusion flexible learning programme be improved to provide further assurance that the Credits claimed reflects progress made by students in undertaking all the activity required for the programme.