
Audit Committee Meeting

Date of Meeting	Tuesday 3 October 2017
Paper Title	Internal Audit Progress Report
Agenda Item	10
Paper Number	AC1-F
Responsible Officer	Jim Godfrey, Interim Finance & Resources Director
Status	Disclosable
Action	For discussion

1. Report Purpose

1.1. Consider progress in respect of the Internal Audit Plan for 2016-17.

2. Recommendations

2.1. The Committee is invited to:

- **note** the progress made against the Internal Audit Plan for 2016-17.
- **approve** the scope of work in respect of Corporate Planning; and
- **approve** that the review of Corporate Planning should replace the work on the Receipt of Funds and Funding Allocation within the Internal Audit Plan for 2016-17.

3. Report

3.1. Good progress has been made against the plan as shown within the annex to this report.

3.2. It is proposed that the review of the 'Receipt of Funds and Funding Allocation' now takes place in 2017-18. The reason for this is that the transition of this aspect of 'fully operational status' has taken longer to implement than anticipated. The main reason for the delay related to difficulties opening the bank account and on-line account management. The bank account went live in September 2017 but this delay means that there is limited evidence to be reviewed by the Internal Auditor. For this reason, it is proposed that this review now takes place next year.

3.3. The provisional Internal Audit Plan for 2017-18 was reviewed and it is suggested that a review of Corporate Planning is brought forward. The reason for this is that progress has been made with the Strategic Plan for 2017-2022 and a review by the Internal Auditors will inform further developments.

4. Risk Analysis

4.1. The report provides a summary of the work undertaken by the Internal Auditor, which in turn provides assurance in terms of the systems of internal control.

5. Legal Implications

5.1. There are no specific legal implications.

6. Resource Implications

6.1. The provision of internal audit is a necessary component of an organisation's overall governance arrangement with regard to both financial and other matters.

7. Strategic Plan Implications

7.1. Through the Regional Outcome Agreement and associated requirements, GCRB has to have effective governance arrangements, of which internal audit is part.



Glasgow Colleges' Regional Board

Internal Audit Progress Report 2016/17 Annual Plan

3 October 2017

Progress with the annual plan for 2016/17, finalised in February 2017, is shown below.

Audit Area	Planned reporting date	Report status	Report Number	Overall Conclusion	Audit Committee	Comments
Internal Audit Annual Plan 2016/17	December 2016	Draft 02/12/16 2 nd Draft 05/12/16 Final 08/02/17	2017/01	N/A	Draft 12/12/16 Final 20/02/17	
Compliance with SFC Financial Memorandum	May 2017	Draft 02/05/17 Final 05/05/17	2017/03	Requires improvement	15/05/17	
GCRB risk management / Oversight of assigned colleges risk management	May 2017	Draft 04/05/17 Final 05/05/17	2017/02	Satisfactory	15/05/17	Facilitated risk workshop delivered on 2 June 2017.
Receipt of funds and funding allocation	September 2017	N/A	N/A	N/A	N/A	This assignment has been deferred to 2017/18 at the request of GCRB management.
Follow-Up Reviews	September 2017	Draft 22/09/17 Final 26/09/17	2017/04	N/A see comments	03/10/17	18 Fully implemented 7 Partially implemented 1 Little or no progress 1 Considered but not implemented 27 in total
Update of Financial Procedures	February 2017	N/A	N/A	N/A	20/02/17	Draft procedures issued 23/12/16, with revisions made thereafter following further discussions.

Audit Area	Planned reporting date	Report status	Report Number	Overall Conclusion	Audit Committee	Comments
Corporate Planning	N/A					This review has been brought forward from 2017/18 in place of Receipt of funds and funding allocation. The work will be carried out in October 2017 and the final report will be presented to the Audit Committee at its meeting on 05/12/17. The scope and objectives for the proposed review are attached at Appendix A.

Gradings are defined as follows:

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

Appendix A

Audit Assignment:	Corporate Planning
Priority:	Medium
Audit Committee Meeting:	5 December 2017
Days:	3

Scope

The scope of this audit will be to consider whether GCRB's planning process is working effectively, particularly in relation to the development of the Strategic Plan and the linkage between the Strategic Plan, the Regional Outcome Agreement (ROA) and other GCRB and assigned college plans.

The Strategic Plan is to be officially launched on 30 October 2017 and a review of implementation and evaluation of the plan will be carried out as part of the internal audit programme for 2017/18.

Objectives

The overall objective of the audit will be to obtain reasonable assurance that GCRB's planning process accords with good practice.

Specific objectives will be to obtain reasonable assurance that:

- the corporate planning process is adequately planned and challenged for robustness;
- linkages between the Strategic Plan, the ROA and other GCRB and assigned college plans are clearly defined and communicated; and
- there is effective linkage between planning and budgeting at all levels.

Our audit approach will be:

Through discussions with the Executive Director and Interim Finance & Resources Director we will document the planning process adopted by GCRB.

Other GCRB and assigned college plans will be obtained and reviewed to ensure there are clear linkages to the Strategic Plan and ROA.