

Glasgow Kelvin College

Corporate Planning

Internal Audit report No: 2024/04

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Contents

		Page
Section 1	Management Summary	
	• Overall Level of Assurance	1
	• Risk Assessment	1
	• Background	1
	• Scope, Objectives and Overall Findings	2
	• Audit Approach	2 - 3
	• Summary of Main Findings	3
	• Acknowledgements	3
Section 2	Main Findings and Action Plans	4 - 9

Level of Assurance

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

Gradings are defined as follows:

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

Action Grades

Priority 1	Fundamental issue subjecting the organisations to material risk which requires to be addressed by management and the Audit and Risk Committee as a matter of urgency.
Priority 2	Issue subjecting the organisations to significant risk, and which should be addressed by management as a priority.
Priority 3	Matters subjecting the organisations to minor risk or which, if addressed, will enhance efficiency and effectiveness.



Management Summary

Overall Level of Assurance

Good	System meets control objectives.
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Risk Assessment

Strategic Planning underpins the majority of the risks on Glasgow Kelvin College's ('the College') Strategic Risk Register and this review focussed on the controls in place that support mitigation actions to deliver a successful and sustainable organisation.

Background

As part of the Internal Audit programme at the College for 2023/24 we carried out a review of the systems in place in relation to Corporate Planning. The ANA identified this as an area where risk can arise and where Internal Audit can assist in providing assurances that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

The College operates a five-year Strategic Plan. A comprehensive rewrite of the College's Strategic Plan was finalised in 2021 and the current College Strategy covering 2022 – 2027 was approved by the Board in December 2021 prior to formal publication in January 2022. A 'College Operating Plan' sits alongside the Strategic Plan and provides further technical detail on how the strategic ambitions and priorities of the College will be achieved. The College operates seven supporting strategies to the Strategic Plan and there has been an overhaul of these in recent years to ensure they are succinct, concise and easily digestible for staff and stakeholders. An Operational Plan is in place for every department and faculty across the College.



Scope, Objectives and Overall Findings

The scope of this audit was to consider whether the College'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, any underpinning strategies (such as the ICT Digital Transformation Strategy 2020 – 2025) and the detailed operational plans.

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

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

Objective	Findings			
The specific objectives of our audit were to obtain reasonable assurance that:		1	2	3
		No. of Agreed Actions		
1. The corporate planning process is adequately planned and challenged for robustness	Good	0	0	1
2. Linkages between the Strategic Plan, the Regional Outcome Agreement, supporting strategies (such as the ICT Digital Transformation Strategy 2020 – 2025) and operational plans are clearly defined and communicated	Good	0	0	0
3. Operational plans are robust and include detailed prioritised action plans	Good	0	0	0
4. Delivery of the Strategic Plan, Regional Outcome Agreement, supporting strategies, and operational plans are being appropriately monitored and controlled, including through the use of key performance indicators and target setting	Good	0	0	0
5. There is effective linkage between planning and budgeting at all levels	Good	0	0	0
Overall Level of Assurance	Good	0	0	1
		System meets control objectives.		

Audit Approach

Through discussions with key staff, we documented the planning process adopted by the College covering the setting of aims and objectives; operational planning; budgeting; implementation; monitoring and control.

Audit Approach (Continued)

A sample of the operational plans were obtained and reviewed to ensure there are clear linkages to the Regional Outcome Agreement, the Strategic Plan, and the key supporting strategies that relate to the core activities of the College (People, ICT, Estates, Learning and Teaching, etc.).

Summary of Main Findings

Strengths

- In recent years, the College has sought to improve the Corporate Planning process by making the Strategic Plan more succinct and accessible; introducing the supporting 'College Operating Plan'; streamlining the supporting strategies; and standardising operational planning across the College, to ensure that any actions included have a strategic focus;
- During development of the most recent College Strategic Plan (2022-2027), the Senior Management Team (SMT) led a comprehensive consultation exercise involving the Management Team (MT), staff, students, and wider stakeholders to ensure their feedback was reflected in the final version of the Strategic Plan. A similar consultation exercise is carried out during each annual review of the Strategic Plan;
- The Strategic Plan 2022-2027 takes cognisance of the Regional Outcome Agreement and there are clear and defined linkages between the College's strategic priorities, supporting strategic objectives, and the actions contained within operational plans across the College;
- A defined approach is in place for teams to develop operational plans, with guidance and support available for their completion. These plans are subject to review and approval by the SMT to ensure that they support the delivery of the overall College Strategic Plan for the relevant academic year;
- Effective monitoring of the strategies is in place to assess their delivery, with the use of a Balanced Score Card to report progress against the Key Performance Indicators (KPIs) on a quarterly basis to SMT and to the Board of Management (BoM);
- Progress against operational plans is updated at least monthly and annual presentations are delivered by Directors and Heads of Department to the MT and SMT to provide a shared understanding on the progress made in delivering operational priorities;
- The College Operating Plan sets out how the College will continue to progress its strategic ambitions, despite the challenging financial environment currently faced by Scottish colleges;
- The annual budget process supports the delivery of the operational plans; and
- There are weekly meetings between SMT members, and monthly meetings between Finance and the wider MT, which allows consideration and discussion on the impact of financial constraints on the ability to deliver strategic and operational priorities within the desired timescales.

Opportunities for Improvement

- A written timetable, which sets out each stage of the College's Corporate Planning process and the timeline for completion, is not currently formally documented. Production of such a timetable would provide enhanced clarity around the key milestones for any new members of SMT or the College MT, as well as any other stakeholders (including members of College staff).

Acknowledgments

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

Main Findings and Action Plan

Objective 1 - The corporate planning process is adequately planned and challenged for robustness

The College has made a conscious effort to ensure that the Strategic Plan 2022-27 ('the Strategy') was concise and easily understood by readers. The Strategy is based on three key 'strategic ambitions' and three further 'strategic priorities' sit below each of these. Under each priority, a range of actions are set out explaining how this will be achieved. Key indicators are included within the Strategy, which can be used to measure the impact of implementation of each ambition.

The College Operating Plan (COP) 2022/23 – 2026/27 is a dynamic document, which sits alongside the Strategic Plan and includes three cross-College objectives. A set of actions and targets support these objectives, and contribute to the delivery of the strategic ambitions (where the actions and targets do not naturally sit within any other Departmental or Faculty operational plan). Considerable technical detail is held within the COP, which allows the Strategic Plan to remain the succinct document the College was aiming to produce. The Principal has overall responsibility for maintaining the COP and presents quarterly updates to the Board of Management (BoM), gaining approval at each key milestone.

During development of the College Strategy 2022-27, the Senior Management Team (SMT) led on a comprehensive consultation exercise involving the BoM, College Management Team (MT), staff, students, and wider stakeholders (including local MSPs, local councillors and representatives from partners, the third sector and trade / industry groups). A strategy event was held with the BoM in May 2021 to commence the development of the Strategic Plan. Comprehensive meetings, workshops and group discussions were held throughout 2021 to capture the views and feedback from all interested parties to ensure that these were reflected in the Strategy. Each iteration of the draft Strategy was shared with shareholders to allow sense-checking that the document was robust and adequately reflected the contributions provided.

The Strategy is reviewed on an annual basis to ensure that it remains relevant, and consultation with the BoM, MT, staff, students and other stakeholders is considered again during the annual review process. The College gathers regular insight into stakeholders' needs through the work of the Glasgow Colleges' Regional Board (GCRB) and through ongoing partnership work with organisations and employers. The first annual review, and refresh of the Strategy, commenced in May 2023, and was subsequently approved by the BoM in October 2023.

Relevant Directors / Heads of Department have responsibility for the seven supporting strategies maintained by the College: Estates and Sustainability; Access and Inclusion; Corporate and Operational Services; Digital Transformation; Financial; Learning, Teaching and Assessment; and People. These seven supporting strategies set out the strategic objectives which support the delivery of the overall strategic ambitions described within the Strategic Plan. Actions and key measures of success are detailed within each of the supporting strategies. The supporting strategies are approved by the BoM and relevant committee at each renewal milestone. We noted that some strategies cover a three-year period and others cover a five-year period. Therefore, the timeline does not perfectly align with the term of the Strategic Plan. However, all supporting strategies remain up to date and continue to be aligned with the current College strategic ambitions.

Operational plans are in place for each Department or Faculty across the College and there is a clear timetable for the drafting of plans in August each year, for approval in September. Approval is sought from the relevant Vice Principal prior to finalisation of operational plans.

The College ethos and values, as set out in the College Values Statement 2022-27, are embedded within each stage of the corporate planning process.

Objective 1 - The corporate planning process is adequately planned and challenged for robustness (Continued)

Observation	Risk	Recommendation	Management Response	
Although we noted that the Corporate Planning process is comprehensive and adequately planned, a written timetable, which describes each stage and the timeline for completion, is not currently formally documented.	There may be a lack of clarity over key milestones and expectations of the Corporate Planning process for any new members of SMT or the College MT, as well as other stakeholders including staff.	R1 The key steps and timescales for the development and review of the College Strategic Plan should be documented, as well as each stage of the wider Corporate Planning process.	A Corporate Planning timetable will be created, shared with College Management and published on the College intranet.	
			To be actioned by: Vice Principal Operations & Vice Principal Curriculum & Quality No later than: 31 May 2024	
			Grade	3

Objective 2 - Linkages between the Strategic Plan, the Regional Outcome Agreement, supporting strategies (such as the ICT Digital Transformation Strategy 2020 – 2025) and operational plans are clearly defined and communicated

The Regional Outcome Agreement (ROA) 2021/22 was integrated into the ethos of the Strategic Plan 2022-27 and annual updates and changes to the ROA are considered and reflected during the annual review of the Strategy. The GCRB Strategic Plan is also considered as part of the corporate planning process, and the College ensures ongoing alignment of its strategic ambitions and priorities with those of the Glasgow region.

As noted above, significant work has been undertaken to streamline the supporting strategies, as well as making the language within these supporting strategies more accessible. We reviewed the seven supporting strategies and noted that linkages to the Strategic Plan were clear and effectively embedded. Each sub-strategy sets out the strategic priorities which it contributes towards and supports. For example, the Strategic Plan includes a high-level objective on digital transformation and the ICT Digital Transformation Strategy 2020-2025 includes the detailed actions which will support the delivery of this objective.

The operational planning pro forma deployed across the College explicitly lists the three strategic ambitions and priorities at the beginning of the document and also contains a direct link to the Strategic Plan for ease of reference. Each operational objective described within an individual operational plan requires clear and consistent linkage to at least one of the strategic priorities and a column exists within the operational planning template to ensure that this explicit linkage is clearly defined and communicated.

The College Strategic Plan, and supporting strategies, are available on the College website and all operational plans are available for scrutiny and view by all members of the SMT and MT via the College intranet.

On an individual level, all staff undergo a personal development review (PDR) on an annual basis. SMART objectives are set which must connect with the strategic objectives they relate to. This ensures that all individuals are working towards the achievement of the College's Strategic Plan.

Objective 3 – Operational plans are robust and include detailed prioritised action plans.

A standard template is in use across the College to capture the annual Department / Faculty operational priorities. This form was updated in line with the development timetable of the new Strategy.

We reviewed a sample of College operational plans and noted that these clearly set out:

- Actions to support the delivery of a strategic priority;
- Cross reference to specific strategic priority;
- How success will be measured (realistic and measurable targets);
- Target completion dates;
- An action owner; and
- A progress column which is updated throughout the year and should be reviewed at least monthly.

As part of the Corporate Planning overhaul progressed in recent years, there has been a conscious move away from the inclusion of standard, day-to-day core activities within operational plans with a corresponding move towards a focus on priorities which more closely reflect the strategic direction of the College. College staff are consulted using questionnaires and through consultative meetings to ensure that their views are adequately reflected within operational plans. Operational targets address any recommendations from Faculty / Team self-evaluations and take account of the Education Scotland Quality Improvement Framework.

Operational plans are disseminated to relevant members of staff, primarily via Team briefings. The MT are responsible for progressing their operational plans and there is a final statement at the end of the year on progress. This annual review is in addition to the monthly progress updates provided on the operational plans throughout the year. The Vice Principals of the College have overall responsibility for operational planning. A standard template is utilised to guide managers in the development of their Operational Plans. Through discussion with a sample of Directors we confirmed that adequate support and guidance is available on a one-to-one basis.

We noted that actions within Operational Plans are not ranked in order of priority. This was discussed with College senior management and it was noted that generally, all actions set out within action plans are completed within the year. In the event that actions are not completed, it is generally due to external factors rather than a lack of focus given to the action. No recommendation was therefore considered relevant on this prioritisation issue.

Objective 4 – Delivery of the Strategic Plan, Regional Outcome Agreement, supporting strategies, and operational plans are being appropriately monitored and controlled, including through the use of key performance indicators and target setting

A College Scorecard is in place, which captures key quantitative and qualitative indicators, as well as setting out targets which are directly mapped to the priorities within the College Strategy and cross refer to the supporting strategies. Targets are set for each quarter of the academic year and are updated for the outturn using a red, amber, green (RAG) system. This is a key, primary source of monitoring and reporting to the BoM and SMT relating to strategic progress made in each quarter.

An end of academic-year summary of progress towards the achievement of the Strategic Plan (covering the period 1 August 2022 to 31 July 2023) was presented to the BoM in October 2023. This update concluded that the College had made very good progress in delivering its strategic objectives in Year 1 of the Strategy. A narrative on progress was provided, as well as a Power BI report of key metrics, again utilising a RAG rating system. In addition, updates are also provided bi-annually on the ICT Digital Transformation Strategy 2020-2025 due to the current importance of the digital infrastructure to all aspects of the College and the specific challenges associated with the successful delivery of this supporting strategy.

The Principal has regular meetings with the GCRB Executive Director and the BoM Chair is on the Board of GCRB. Therefore, updates on progress in delivering the College Strategy are provided via this close working relationship.

Directors / Heads of Department deliver individual annual presentations to the wider MT (as well as SMT) on the progress made in delivering their operational plans. We were advised that this feedback mechanism has been an effective way to ensure that the MT and SMT have a shared understanding of strategic and operational progress across the College. Any significant issues that may lead to deviations from operational objectives would be reported to the SMT and the operational plan updated accordingly.

Objective 5 – There is effective linkage between planning and budgeting at all levels

The challenges created by the ongoing funding pressures encountered by the Scottish College Sector are accounted for within the College Operating Plan (COP) 2022/23 – 2026/27. The COP describes the actions required by the College, over a four year period, to maintain alignment with the three strategic ambitions and the College values, whilst maintaining financial viability.

The three objectives of the COP include:

- Objective 1: A more relevant, effective, and efficient curriculum with high levels of learner success;
- Objective 2: A more agile and efficient organisational structure with improved workplace effectiveness; and
- Objective 3: Maximise income, reduce expenditure, and optimise estate utilisation.

The COP breaks each of these three objectives down into a set of clear actions and targets, as well as quantifying the financial implications of the proposed actions and the associated impact on staffing (both academic and support staff) and the curriculum offering.

Budgets form an integral part of the operational planning process and during the annual development of plans, meetings are held between Directors / Heads of Department and Finance to ensure that budgets are appropriately aligned with operational goals. These ensures a balance between affordability and ambition at all stages. Budget reporting is carried out quarterly and plans are updated in light of any key changes (such as the Scottish Government budget announcements).

There are regular meetings to discuss budgets and their impact on the strategic and operational plans. The weekly SMT meetings allow relevant budget information to be discussed, and Finance meet with the wider MT monthly to ensure that operational managers have a clear oversight of the budget position on an ongoing basis. Considerable work has been undertaken to ensure that the MT have a depth of understanding of the financial context in which they are now operating within. From our discussions with a sample of Directors, there is clear and effective linkage between budgets and operational planning.

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