Item 8a
For Approval

Glasgow Kelvin College

Internal Audit Annual Plan 2023/24

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Contents

		Page
Section 1	**Introduction**	**1**
Section 2	**Strategic Plan 2019 to 2024**	**2 - 3**
Section 3	**Outline Scope and Objective**	**4 - 12**
	• Curriculum Planning	4
	• Staff Development	5
	• Student Fees and Contracts/Registry	6
	• Risk Management	7
	• Corporate Planning	8
	• System Development/Implementation	9
	• Credits Audit	10
	• Student Support Funds	11
	• Follow Up Reviews	12
Appendix I	**Previous Coverage and Overall Level of Assurance**	**13 - 15**

Introduction

1.1 The purpose of this document is to present for consideration by the Audit and Risk Committee the annual operating plan for the year ended 31 July 2024. This would normally be based on a comprehensive Audit Needs Assessment (ANA) and three-year Strategic Plan, which would be prepared following discussion with Board members and managers throughout the College. Given that the College has invoked a two-year contract extension, which takes us beyond the ANA and Strategic Plan 2019 to 2022 (Report 2020/01, finalised 25 September 2019) it was agreed that a full ANA should not be undertaken at this time. The draft plan is based on discussions with the Vice Principal Operations and Director of Operational Services and consideration by other members of the College Senior Management Team (SMT), consideration of areas of higher risk and need from a review of the College's Strategic Risk Register and a review of previous internal audit coverage.

1.2 A copy of the extended Strategic Internal Audit Plan is included at Section 2 of this report.

1.3 At Section 3 of this report we have set out the outline scope and objectives for each audit assignment to be undertaken during 2023/24, together with the audit approach. These have been arrived at following discussion with the Vice Principal Operations and Director of Operational Services and consideration by other members of the College SMT. The outline scopes will be refined and finalised after discussion with responsible managers in each audit area.

1.4 Separate reports will be issued for each assignment with recommendations graded to reflect the significance of the issues raised. In addition, audit findings will be assessed and graded on an overall basis to denote the level of priority that should be given to each report.

Strategic Plan 2019 to 2024

	Category	Priority	Actual 19/20 Days	Actual 20/21 Days	Actual 21/22 Days	Actual 22/23 Days	Planned 23/24 Days
Reputation							
Publicity and Communications	Gov	M			4		
Health and Safety	Gov	M				5	
Student Experience							
Curriculum planning	Perf	M					4
Quality assurance	Perf	M			4		
Student support	Perf	M			4		
Student recruitment and retention	Fin/Perf	H	6				
Student Engagement / Students' Association	Gov	M					
Staffing Issues							
Staff recruitment and retention	Perf	H					
Staff development	Perf	M					4
Sickness absence	Perf	M		4			
Workforce planning	Perf	M					
Payroll	Fin	L/M				4	
Estates and Facilities							
Building maintenance	Fin/Perf	M/H					
Estates strategy / capital projects	Fin/Perf	M			5		
Space management	Perf	M					
Asset / fleet management	Perf	M/H			5		
Facilities Operations	Perf	M					
Financial Issues							
Budgetary control)	Fin	M				5	
Financial planning)	Fin	M					
Student fees and contracts / registry	Fin	M					5
General ledger	Fin	L/M					
Procurement and creditors / purchasing	Fin	M		4			
Debtors/ Income	Fin	L/M					
Cash & Bank / Treasury management	Fin	M		4			
Fraud prevention, detection and response	Fin	M					
Commercial Issues							
Business Development	Fin/Perf	M	4				

	Category	Priority	Actual 19/20 Days	Actual 20/21 Days	Actual 21/22 Days	Planned 22/23 Days	Planned 23/24 Days
Organisational Issues							
Risk Management	Perf	M					4
Business Continuity	Perf	M	5				
Corporate Governance	Gov	L/M		4			
Corporate Planning	Perf	L/M					4
Performance reporting / KPIs	Perf	M			4		
Partnership Working	Gov/Perf	L					
Equalities	Gov	M					
Environmental Sustainability	Gov/Perf	M/H				4	
Information and IT							
IT network arrangements	Perf	M		4			
Cyber Security	Perf	M				5	
Data protection	Gov	M			4		
FOI	Gov	L					
Systems development / implementation	Perf	M					5
IT strategy	Perf	M					
Other Audit Activities							
Credits audit		Required	6	6	6	6	6
Bursary, Childcare and Hardship Funds		Required	6	6	6	6	6
Management and Planning)			4	4	4	4	4
External audit / SFC)							
Attendance at Audit & Risk Committee)							
Follow-up reviews		Various	3	3	3	3	3
ANA and Strategic Plan			_____	_____	_____	_____	_____
			36	39	49	42	45
Total			====	====	====	====	====

Key

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

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

Outline Scope and Objectives

Audit Assignment:	Curriculum Planning
Priority:	Medium
Fieldwork Timing	November 2023
Audit and Risk Committee Meeting:	February 2024
Days:	4 days

Scope

This audit will consider the key risks in relation to the College's curriculum.

Objectives

The objective of the audit will be to ensure that:

- the core College curriculum is aligned with national priorities and the needs of regional industry, employers and individual learners;
- there is a process in place to review and refresh existing programmes on a regular basis;
- adequate controls are in place over the development of new programmes including the preparation of a business case, costing and pricing;
- the College has exploited the potential of new technology in order to widen access to the curriculum and enhance the learner experience;
- the curriculum planning process takes sufficient cognisance of the College's share of the Region's Credits target; and
- there are strong links between the curriculum planning process and workforce planning and budgeting.

Our audit approach will be:

Interviews will be held with the Vice Principal Curriculum and Quality Enhancement, Director of Planning and Performance and Curriculum, Director of Learning Innovation and Curriculum and other relevant managers and staff to assist in documenting the systems and processes in place. A detailed assessment of the key internal controls will be performed, and an audit testing programme will be devised thereon.

Audit Assignment:	Staff Development
Priority:	Medium
Fieldwork Timing	January 2024
Audit and Risk Committee Meeting:	May 2024
Days:	4 days

Scope

This audit will consider whether the College is making best use of its staff and will incorporate a review of workforce planning; training; the personal development plan system; and succession planning.

Objectives

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

- the College has a systematic approach for ensuring that its staff resources match need in order to deliver planned commitments. Where gaps are identified, timely action is taken to close these;
- the College's approach to training, including induction training, is clearly informed by an assessment of where there are skills / knowledge / performance gaps;
- the College has a systematic approach to the evaluation of its training to ensure that it is achieving the desired impact;
- there is a systematic approach for translating business objectives into actions / tasks for members of staff and a systematic approach is used for communicating objectives and performance expectations to staff;
- a systematic process is used for providing feedback to staff on performance and agreeing action to improve performance; and
- appropriate succession planning strategies, action plans and monitoring arrangements are in place within the College.

Our audit approach will be:

The Director of People and Culture and a sample of senior managers will be interviewed, and the College's policies, procedures and structure will be reviewed, to assess compliance with the above objectives.

Audit Assignment:	Student Fees & Contracts / Registry
Priority:	Medium
Fieldwork Timing	February 2024
Audit and Risk Committee Meeting:	May 2024
Days:	5 days

Scope

The main purpose of this review will be to ensure that the policies, procedures and processes in place within MIS and Finance for the recording, processing, invoicing and receipt of student fees are operating effectively.

Objectives

The objectives of this audit will be to ensure that:

- enrolment procedures across the College are sufficient to ensure the accuracy of student records information, including adequate checking of student data by MIS;
- there is accurate and timely transfer of data between the student records system and the Finance system, and regular reconciliation between the systems;
- all fees are fully and correctly invoiced and processed for self-financing students and sponsored students. Fee-waiver students are appropriately identified; and
- adequate debt management and recovery procedures are in place, and are consistently followed in practice.

Our audit approach will be:

From discussion with the Head of Student Information Services, MIS, and Finance staff we will identify the key internal controls in place within the College's student fees process and compare these with expected controls. We will report on any areas where expected controls are found to be absent or where controls could be further strengthened.

Compliance testing will then be carried out where necessary to ensure that the controls in place are operating effectively.

Audit Assignment:	Risk Management
Priority:	Medium
Fieldwork Timing	November 2023
Audit and Risk Committee Meeting:	February 2024
Days:	4 days

Scope

The scope of the audit will be to consider whether there are corporate procedures in place to adequately assess risk and minimise the possibility of unexpected and unplanned situations developing, which are in line with good practice.

Objectives

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

- there is a process in place to provide reasonable assurance to the Board and to the Principal in relation to the declaration on risk required for the financial statements;
- the process in place applies good practice in risk management; and
- key risks have been identified and are being appropriately controlled, mitigated, reported, and discussed at appropriate levels of management and the Board.

Our audit approach will be:

We will obtain and review a copy of the College's risk management policies, procedures and Risk Registers and discuss the risk management arrangements in place with the Vice Principal Operations and Director of Estates and Corporate Services and other key managers and staff.

The College's risk management arrangements will then be benchmarked against relevant good practice guidance.

We will consider whether all relevant key risks have been identified and included on the Risk Registers and ensure that these are monitored and adequately reported on.

Audit Assignment:	Corporate Planning
Priority:	Low/Medium
Fieldwork Timing	December 2023 / January 2024
Audit and Risk Committee Meeting:	February 2024
Days:	4 days

Scope

The scope of this audit will be 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 any detailed operational delivery plans.

Objectives

The overall objective of the audit will be to obtain reasonable assurance that the College'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 Regional Outcome Agreement, supporting strategies (such as the ICT Digital Transformation Strategy 2020 – 2025) and operational plans are clearly defined and communicated;
- operational plans are robust and include detailed prioritised action plans;
- 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; and
- there is effective linkage between planning and budgeting at all levels.

Our audit approach will be:

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

A sample of the operational plans will be 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.)

Audit Assignment:	System Development / Implementation
Priority:	Low/Medium
Fieldwork Timing	March 2024
Audit and Risk Committee Meeting:	May 2024
Days:	5

Scope

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

Objectives

The objectives of this audit will be to ensure that:

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

Our audit approach will be:

From discussion with the Director of Digital Services and other relevant College managers and staff, and review of project documentation for a sample of recent ICT projects, we will consider whether the above objectives are being met.

Audit Assignment:	Credits Audit
Priority:	Required audit
Fieldwork to be conducted:	September 2024
Audit and Risk Committee Meeting:	November 2024
Days:	6

Scope

Credits Audit Guidance, issued by SFC, requests that colleges obtain from their auditors assurances as to the reasonableness of procedures used in the compilation of the Credits related element of the FES return.

Objectives

To obtain reasonable assurance that:

- 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
- the FES return contains no material misstatements.

Our audit approach will be:

Through discussion with College staff, and review of relevant documents, we will record the systems and procedures used by the College in compiling the returns and assess and test their adequacy. We will carry out further detailed testing, as necessary, to enable us to conclude that the systems and procedures are working satisfactorily as described to us.

Detailed analytical review will be carried out obtaining explanations for significant variations from previous year's activity.

Our testing will be 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.

We will also review the final error report from the FES on-line checks.

Audit Assignment:	Student Support Funds
Priority:	Required audit
Fieldwork to be conducted:	September 2024
Audit and Risk Committee Meeting:	November 2024
Days:	6

Scope

We will carry out an audit on the College's student support funds for the year ended 31 July 2024 and provide an audit certificate. Three specific fund statements will require an audit:

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

Objectives

The audit objectives will be to obtain reasonable assurance that:

- the College complies with the terms, conditions and guidance notes issued by the SFC, SAAS and the Scottish Government;
- payments to students are genuine claims for hardship, childcare, bursary or EMA, and have been processed and awarded in accordance with College procedures; and
- the information disclosed in each of the returns for the year ended 31 July 2024 is in agreement with underlying records.

Our audit approach will be:

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

Audit guidance issued by SFC will be utilised. This includes 'Areas of risk and audit considerations' for bursaries and for the discretionary funds and childcare, and 'Guidance on the audit requirements for EMA.'

Audit Assignment:	Follow-Up Reviews
Priority:	Various
Fieldwork to be conducted:	August 2024
Audit and Risk Committee Meeting:	September 2024
Days:	3

Scope

This review will cover reports from the 2022/23 internal audit programme and reports from earlier years where previous follow-up identified recommendations outstanding.

Objectives

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

Our audit approach will be:

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

Appendix I – Previous Coverage and Overall Level of Assurance

	Year last reviewed by Internal Audit (HL)	Overall Level of Assurance
Reputation		
Publicity and Communications	2021/22	**Good**
Health and Safety	2022/23	**Good**
Student Experience		
Curriculum planning	Not previously reviewed by HL	
Quality assurance	2021/22	**Good**
Student support	2021/22	**Good**
Student recruitment and retention	2019/20	**Satisfactory**
Student Engagement / Students' Association	Not previously reviewed by HL	
Staffing Issues		
Staff recruitment and retention	2018/19	**Satisfactory**
Staff development	Not previously reviewed by HL	
Sickness absence	2020/21	**Satisfactory**
Staff Utilisation	2016/17	**Satisfactory**
Workforce planning	Not previously reviewed by HL	
VS Scheme	2015/16	**Good**
Payroll	2022/23	**Good**
Estates and Facilities		
Building maintenance	2017/18	**Satisfactory**
Estates strategy / capital projects	2021/22	**Satisfactory**
Space management	2015/16	**Good**
Asset / fleet management	2021/22	**Satisfactory**
Facilities Operations	Not previously reviewed by HL	
Financial Issues		
Budgetary control	2022/23	**Good**
Financial planning	2018/19	**Good**
Student fees and contracts / registry	2015/16	**Satisfactory**
General ledger	2016/17	**Good**
Procurement and creditors / purchasing	2020/21	**Satisfactory**
Debtors/ Income	2015/16	**Satisfactory**

	Year last reviewed by Internal Audit (HL)	Overall Level of Assurance
Financial Issues (continued)		
Cash & Bank / Treasury management	2020/21	**Good**
Financial procedures – SPFM compliance	2015/16	**Satisfactory**
Fraud prevention, detection and response	Considered on all audits	
Commercial Issues		
Business Development	2019/20	**Satisfactory**
Organisational Issues		
Risk Management	Not previously reviewed by HL	
Business Continuity	2019/20	**Good**
Corporate Governance	2020/21	**N/A**
Corporate Planning	2017/18	**Good**
Performance reporting / KPIs	2021/22	**Good**
Partnership Working / Regional Engagement	2016/17	**Good**
Equalities	Not previously reviewed by HL	
Environmental Sustainability	2022/23	**Good**
Information and IT		
IT network arrangements	2020/21	**Good**
Cyber Security	2022/23	**Good**
Data protection	2021/22	**Good**
FOI	Not previously reviewed by HL	
Systems development / implementation	2017/18	**Satisfactory**
IT strategy	Not previously reviewed by HL	
Other Audit Activities		
Credits audit	All years	
Bursary, Childcare and Hardship Funds	All years	
Follow-up reviews	All years	
ANA and Strategic Plan	2019/20	**N/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.

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