

# Glasgow Kelvin College

## Internal Audit Annual Plan 2021/2022

Internal Audit report No: 2022/01

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## 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 2022. The plan is based on the proposed allocation of audit days for 2021/22 set out in the Strategic Internal Audit Plan 2019 to 2022 (Report 2020/01, finalised 25 September 2019), which was presented to the Audit and Risk Committee and approved by it at its meeting on 17 September 2019.
- 1.2 The annual operating plan for 2021/22 shows two changes to the Year 3 allocation set out in the original Strategic Plan. The reviews of Quality Assurance and Estates Strategy / Capital Projects were deferred from 2020/21 into 2021/22 at the request of management.
- 1.3 A copy of the revised Strategic Internal Audit Plan is included at Section 2 of this report.
- 1.4 At Section 3 of this report we have set out the outline scope and objectives for each audit assignment to be undertaken during 2021/22, together with the audit approach. These have been arrived at following consideration by the Principal, the two Vice Principals and the Director of Corporate Services. The outline scopes will be finalised after discussion with responsible managers in each audit area.
- 1.5 Separate reports will be issued for each assignment with recommendations graded to reflect the significance of the issues raised.

## Amended Strategic Plan 2019 to 2022

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

## Internal Audit Annual Plan 2021/22 - DRAFT

	Category	Priority	Actual 19/20 Days	Actual 20/21 Days	Planned 21/22 Days
<b>Organisational Issues</b>					
<i>Risk Management</i>	Perf	M			
<i>Business Continuity</i>	Perf	M	5		
<i>Corporate Governance</i>	Gov	L/M		4	
<i>Corporate Planning</i>	Perf	L/M			
<i>Performance reporting / KPIs</i>	Perf	M			4
<i>Partnership Working</i>	Gov/Perf	L			
<i>Equalities</i>	Gov	M			
<b>Information and IT</b>					
<i>IT network arrangements</i>	Perf	M		4	
<i>Cyber Security</i>	Perf	M			
<i>Data protection</i>	Gov	M			4
<i>FOI</i>	Gov	L			
<i>Systems development / implementation</i>	Perf	M			
<i>IT strategy</i>	Perf	M			
<b>Other Audit Activities</b>					
Credits audit		Required	6	6	6
Bursary, Childcare and Hardship Funds		Required	6	6	6
Management and Planning )			4	4	4
External audit / SFC )					
Attendance at Audit & Risk Committee )					
Follow-up reviews		Various	3	3	3
ANA and Strategic Plan			2		
<b>Total</b>			36	39	49
			=====	=====	=====

### Key

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

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

### Notes:

1. The internal audit cost for 2021/22 based on the planned number of days and the tendered day rate is £20,090 plus VAT.
2. The total number of internal audit days over the period 2019/20 to 2021/22 is 124. This agrees with the total of 124 days originally included in the Strategic Internal Audit Plan 2019 to 2022.



## Outline Scope and Objectives

<b>Audit Assignment:</b>	Publicity and Communications
<b>Priority:</b>	Medium
<b>Fieldwork Timing</b>	TBC
<b>Audit and Risk Committee Meeting:</b>	TBC
<b>Days:</b>	4

### **Scope**

This audit will focus on the systems in place within the College for the management of positive and negative publicity externally, and internal communication.

### **Objectives**

The objectives of the audit will be to ensure that:

- policies, procedures and systems in place assist the College to maximise the benefits from positive publicity and effectively manage negative publicity, reducing the potential risk of damage to the College's reputation; and
- appropriate strategies, procedures, ICT and other systems are in place to assist and encourage internal communication and joint working between campuses and Academic Faculties / Support Services.

### **Our audit approach will be:**

The senior managers who oversee marketing and communications activity within the College, and a sample of other College managers and staff, will be interviewed to determine current working practices.

The College's internal and external communication strategies, policies and procedures will be reviewed, and their content benchmarked against good practice, identifying any areas requiring improvement.

The results of recent staff surveys relevant to internal communication will be reviewed to ensure that issues raised are being addressed where appropriate.

<b>Audit Assignment:</b>	Quality Assurance
<b>Priority:</b>	Medium
<b>Fieldwork Timing</b>	TBC
<b>Audit and Risk Committee Meeting:</b>	TBC
<b>Days:</b>	4

### **Scope**

During 2017, new and significantly revised quality arrangements and an associated framework were introduced for colleges in Scotland. The framework, How Good Is Our College? (HGIOC?), builds on the existing effective internal quality arrangements within colleges and aligns with Education Scotland quality arrangements for other sectors. Through the use of HGIOC?, colleges and their stakeholders identify what is working well and what needs to improve. The framework is based on the four high level principles (which in turn are underpinned by challenge questions and quality indicators):

- Leadership and quality culture;
- Delivery of learning and services to support learning;
- Outcomes and impact; and
- Capacity for improvement.

In responding to these principles, each college produces an Evaluative Report and an associated Enhancement Plan. These describe the methodology and approaches taken to evaluation and the context in which the evaluation was carried out. Evidence gathered is used to evaluate the accuracy and appropriateness of the college-devised Evaluative Report, Enhancement Plans and associated proposed grading outcomes. Submitted reports are subject to independent scrutiny and endorsement procedures. Individual college reports and associated endorsement statements are published on the Education Scotland website.

The scope of this audit will be to review compliance with the College's quality procedures by academic areas and to review the progress the College is making to implement the actions identified on its Enhancement Plan.

### **Objectives**

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

- the College's quality procedures are being adhered to in key areas; and
- progress is being made with implementation of the actions identified on the College's Enhancement Plan.

### **Our audit approach will be:**

We will assess whether the above objectives have been met through discussion with the Vice Principal for Curriculum and Quality Enhancement, and other managers involved in Quality Enhancement, and through review of relevant documentation.

<b>Audit Assignment:</b>	Student Support
<b>Priority:</b>	Medium
<b>Fieldwork Timing</b>	TBC
<b>Audit and Risk Committee Meeting:</b>	TBC
<b>Days:</b>	4

### **Scope**

The audit will review the support services available to students, concentrating on the role of Advice, Guidance and Learning Support staff.

### **Objectives**

The objective of our audit will be to obtain reasonable assurance that there is appropriate provision of adequate advice and support to new students, students experiencing financial or other hardship and students with disabilities or special needs.

To this end we will ensure that there are processes and controls in place to be reasonably assured that students are:

- orientated appropriately at the beginning of the year;
- identified and provided with support if struggling financially;
- identified and provided with support if struggling academically;
- given adequate support if they have a disability; and
- made to feel part of the College community.

### **Our audit approach will be:**

We will assess whether the above objectives have been met through discussion with the Vice Principal for Curriculum and Quality Enhancement, as well as the managers in the Advice, Guidance and Learning Support, and discussion with the two Student Presidents of the Student Association, and review of relevant documentation.



<b>Audit Assignment:</b>	Estates Strategy / Capital Projects
<b>Priority:</b>	Medium
<b>Fieldwork Timing</b>	TBC
<b>Audit and Risk Committee Meeting:</b>	TBC
<b>Days:</b>	5

### **Scope**

The scope of this aspect of the audit will be to review and test the policies and procedures in place for the planning, control and monitoring of capital projects relating to the College estate.

### **Objectives**

The specific objectives will be to ensure that the policies and procedures are in line with Scottish Funding Council and other good practice guidance in relation to:

- the Estates Strategy has been developed and aligned with key strategic priorities and also takes cognisance of supporting strategies and plans (such as the financial plan, curriculum planning, digital strategy and people strategy).
- the capital project identification and appraisal process, including the information provided to management and the Board of Management and its committees for decision making purposes;
- risk management and contingency planning on capital projects;
- the selection and management of consultants and contractors, including the tendering process and performance management; and
- the monitoring of progress made on projects and expenditure against budget, by management and Board committees.

### **Our audit approach will be:**

We will review relevant documentation including, the Estates Strategy, policies, procedures, capital project appraisal documents etc. relating to capital projects and will discuss the procedures adopted with staff.

We will consider whether the policies and procedures are in line with good practice in relation to planning, control and monitoring of capital projects and, for a sample of recent capital projects, we will test compliance with these.

<b>Audit Assignment:</b>	Asset / Fleet Management
<b>Priority:</b>	Medium / High
<b>Fieldwork Timing</b>	TBC
<b>Audit and Risk Committee Meeting:</b>	TBC
<b>Days:</b>	5

### **Scope**

Our audit will cover two areas:

- controls over the College's asset registers, covering:
  - ♦ capitalised items of equipment;
  - ♦ non-capitalised computer hardware and related equipment; and
  - ♦ other portable non-capitalised equipment where management is of the opinion that the nature and value of the items requires records to establish physical and financial control;
- the arrangements in place within the College to manage its fleet of motor vehicles to identify any opportunities for cost or efficiency savings.

### **Objectives**

The objectives of this audit will be to ensure that:

- assets are recorded with sufficient and appropriate information (e.g. unique identification numbers, quantity, description, age etc.) and are tagged;
- there is a process to control additions to the asset registers;
- processes are in place to control and authorise the transfer of assets and the removal of assets from the registers;
- management processes are in place to ensure compliance and monitor the asset registers, including physical checks that recorded assets exist;
- there is central control over the management of the fleet;
- vehicles in the fleet are being properly utilised and are necessary to meet the College's mission;
- there is adequate scrutiny of plans for the acquisition of new vehicles and the decision to purchase or lease; and
- procurement arrangements and the level of vehicle maintenance and fuel spend are regularly reviewed to ensure value for money is being achieved.

### **Our audit approach will be:**

Staff within the Finance Department, Estates, ICT, Faculties and other Support Teams will be interviewed to determine current working practices and identify key controls within the systems. Compliance with the College's Financial Regulations and the adequacy of these controls will be considered. Information pertaining to any fleet vehicles will be obtained and reviewed.

<b>Audit Assignment:</b>	Performance Reporting / KPIs
<b>Priority:</b>	Medium
<b>Fieldwork Timing</b>	TBC
<b>Audit and Risk Committee Meeting:</b>	TBC
<b>Days:</b>	4

### **Scope**

This audit will consider the format, content and timeliness of management information, both financial and non-financial (although excluding budget monitoring as this is covered separately as part of the internal audit programme), provided to senior management and to the Board.

### **Objectives**

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

- the management information needs of users have been identified and the information provided meets those needs;
- management information is clearly set out, easily accessible, accurate, provided on a timely basis and readily understood by users;
- management information is available which:
  - ◆ reports on appropriate key performance indicators and, where applicable, on outputs, outcomes and impacts;
  - ◆ enables the impacts of key strategic and operational decisions to be measured;
  - ◆ assists in forecasting; and
- processes in place to provide and disseminate management information are efficient.

### **Our audit approach will be:**

A sample of senior managers and Board members will be interviewed, and the College's management reports, and management reporting procedures, will be reviewed to assess compliance with the above objectives.

<b>Audit Assignment:</b>	Data Protection
<b>Priority:</b>	Medium
<b>Fieldwork Timing</b>	TBC
<b>Audit and Risk Committee Meeting:</b>	TBC
<b>Days:</b>	4

### **Scope**

The Data Protection Act 2018 (DPA) sets out the framework for data protection law in the UK. It updates and replaces the Data Protection Act 1998, and came into effect on 25 May 2018. It was amended on 1 January 2021 by regulations under the European Union (Withdrawal) Act 2018, to reflect the UK's status outside the EU. It sits alongside and supplements the UK GDPR. We will carry out a review of the work carried out to ensure ongoing consistent application of the DPA and GDPR principles across the organisation.

### **Objectives**

To obtain reasonable assurance that:

- appropriate action has been taken by the College to assess compliance with data protection legislation through a self-evaluation exercise which assesses the strength of the data protection framework developed and the extent to which this framework has been embedded within operational processes; and
- adequate procedures are in place for the ongoing monitoring of compliance with data protection legislation across the organisation which are sufficiently well developed to inform reporting to senior management and to the Audit and Risk Committee going forward.

### **Our audit approach will be:**

Through discussion with the Data Protection Officer we will establish the action taken to date by the College and any further action planned, to assess compliance with data protection legislation, including the self-evaluation activity carried out to establish the extent to which the requirements of the legislation have been embedded across the organisation. We will then test the conclusions drawn on the extent to which the data protection framework has been embedded across the organisation through discussion with key senior managers.

We will also examine the extent to which robust monitoring arrangements have been built into the data protection framework with a view to confirming whether the existing arrangements are sufficiently mature to allow robust reporting on ongoing data protection compliance to both the senior management team and to the Audit and Risk Committee going forward.

<b>Audit Assignment:</b>	Credits Audit
<b>Priority:</b>	Required audit
<b>Fieldwork to be conducted:</b>	September 2022
<b>Audit and Risk Committee Meeting:</b>	November 2022
<b>Days:</b>	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.

<b>Audit Assignment:</b>	Student Support Funds
<b>Priority:</b>	Required audit
<b>Fieldwork to be conducted:</b>	September 2022
<b>Audit and Risk Committee Meeting:</b>	November 2022
<b>Days:</b>	6

### **Scope**

We will carry out an audit on the College's student support funds for the year ended 31 July 2022 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 2022 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.'

<b>Audit Assignment:</b>	Follow-Up Reviews
<b>Priority:</b>	Various
<b>Fieldwork to be conducted:</b>	July 2022 / August 2022
<b>Audit and Risk Committee Meeting:</b>	September 2022
<b>Days:</b>	3

### **Scope**

This review will cover reports from the 2020/21 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.

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