
Audit and Assurance Committee Meeting

Date of Meeting	Tuesday 15 March 2022
Paper Title	Internal Audit Plan 2021-22
Agenda Item	8
Paper Number	AAC3-C
Responsible Officer	Henderson Loggie
Status	Disclosable
Action	For Decision

1. Executive Summary

1.1. The report provides the committee with the opportunity to consider, and approve subject to amendments, the Internal Audit Plan 2021-22.

2. Recommendations

2.1. The Committee is invited to:

- **consider** the draft Internal Audit Plan 2021-2022, **noting** the additional budget cost; and
- subject to any amendments, **agree** the Internal Audit Plan 2021-22.

3. Report

3.1. The draft internal audit plan 2021-2022 is attached. The plan has been informed by discussions with the GCRB Executive and assumes an input of 18 audit days per annum.

4. Risk and Compliance Analysis

4.1. The work of the Internal Auditor is informed by an assessment of risk. The approach to audit planning reflects an overall assessment of the relevant risks that apply to GCRB. This ensures that the audit focuses on the areas of highest risk.

4.2. There are no legal implications as a result of this report.

5. Financial and Resource Analysis

5.1. The annual internal audit programme is normally based upon a standard requirement of 15 days per annum. The draft internal audit plan 2021-22 is based upon an estimated requirement of 18 days per annum. This will result in an additional cost of £1,500 compared to the original budget.

6. Equalities Implications

6.1. There are no equalities implications as a direct result of this report.

7. Learner Implications

7.1. Through the conditions of grant associated with the Regional Outcome Agreement, GCRB is required to conduct its affairs in accordance with the expected standards of good governance, which includes independent scrutiny and audit.

Glasgow Colleges' Regional Board

Internal Audit Annual Plan 2021/22

Internal Audit Report No: 2022/01

Draft issued: 4 March 2022

2nd Draft issued: 7 March 2022

Final issued:



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1. Introduction

- 1.1 The purpose of this document is to present for consideration by management and the Audit and Assurance Committee the annual operating plan for the financial year ending 31 July 2022. The plan is based on the proposed allocation of audit days for 2021/22 as set out in the Internal Audit Strategic Plan 2019 to 2022.
- 1.2 An Audit Needs Assessment (ANA) exercise was undertaken in 2019, based on the areas of risk that GCRB is exposed to. The ANA was prepared following discussion with the GCRB Executive Director and the Chair of the Audit Committee, and from a review of various GCRB documents. The ANA was based on GCRB's risk register supplemented by our own assessment of the risks faced by GCRB. Following on from the ANA exercise a Strategic Plan for 2019 to 2022 was developed, which was approved by the Audit and Assurance Committee at its meeting in October 2019. The preparation of the Strategic Plan involved dialogue with management, and the Audit and Risk Committee discussed the first iteration of the proposed three year Strategic Plan at its meeting on 29 September 2021.
- 1.3 The Annual Internal Audit Plan proposed for 2021/22 mirrors year three of the three year Strategic Plan, with the exception of the addition of a review of GCRB's organisation specific governance, which has been injected into the programme following discussion with the Chair of the Audit and Assurance Committee and GCRB senior management. A copy of the revised Strategic 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 proposed audit approach. These have been arrived at following discussion with the GCRB Executive Director and the Finance & Resources Director.
- 1.5 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 assurance for the area reviewed and therefore the priority that should be given to each report.



2. Strategic Plan 2019 to 2022

Proposed allocation of audit days

		Actual	Actual	Proposed
	Priority	19/20	20/21	21/22
		Days	Days	Days
Corporate Governance				
GCRB organisation specific governance	High			3
Board member recruitment to assigned colleges	Medium			
Oversight of assigned colleges governance arrangements	Medium			
Compliance with SFC Financial Memorandum	High			
Reputation – publicity and communications	Medium			
Corporate Planning				
Influencing ROA development	Medium			5
Strategic Planning	High		5	
Monitoring of progress against Corporate Plan	High			
Monitoring of achievement of target student numbers	High			
Student engagement	Low			
Risk Management				
Glasgow Region risk management	High	3		
Oversight of assigned colleges risk management)	Medium			
Disaster Recovery Planning	Medium			3
Finance				
Payroll and creditors	Medium		1	
Budget setting	Medium			
Receipt of funds and funding allocation	Medium			
Funding recovery	Medium			
Financial performance monitoring (GCRB and assigned colleges)	Medium			
Scenario planning / Risk	High			
Other key financial controls	Low			
Monitoring management of major capital projects	Medium			
Student support funds allocation and management	Low			
Shared Services	Medium	4		
Performance				
Oversight of programme of action	Medium			3
Collaborative Training Provision BPR	Medium	4		



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		Actual	Actual	Proposed
	Priority	19/20	20/21	21/22
		Days	Days	Days
Other Areas				
Staff recruitment, retention, succession planning, staff development and staffing policies	Medium			
Stakeholder mapping and engagement	Medium		5	
Data Protection	Medium			
Freedom of Information	Low			
Arrangements with assigned colleges to provide services to GCRB	Medium			
IT systems	Low			
Efficiency studies	Medium			
Follow-up reviews	Various	1	1	1
Audit Management				
Management and planning)		3	3	3
External audit / SFC)				
Attendance at Audit & Assurance Committee)				
Total		15	15	18
		=====	=====	=====

Key

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



3. Outline Scope and Objectives

Audit Assignment:	GCRB's organisation-specific governance
Priority:	High
Fieldwork Timing	TBC
Audit and Assurance Committee Meeting:	TBC
Days:	3

Scope

The scope of this assignment will be to consider GCRB's organisation-specific governance and approach, providing a future-facing insight to provide clarity for any future incidents. This will include consideration of reporting lines between the three assigned colleges and GCRB in relation to the reporting of significant events.

Objectives

To objectives of the review will be to ensure that:

- The mechanisms for reporting, compliance and adherence for significant events, as Regional Strategic Body, are embedded within the Financial Memorandum between GCRB and the three Glasgow Colleges and are communicated effectively;
- The requirement to report significant events is appropriately defined in order to remove any ambiguity;
- There is an agreed protocol / communications plan in place between the GCRB Board and the three College Boards regarding required reporting routes, format of reporting, and timelines for communication of different types of events, with sanctions for non-compliance clearly defined; and
- The reporting of significant events to the Scottish Funding Council is a matter reserved for GCRB and the role of the GCRB Board and Audit and Assurance Committee in evaluating evidence to ensure appropriate reporting to SFC is clearly set out and communicated to stakeholders.

Our audit approach will be:

We will assess whether the above objectives have been met through discussions with staff and Board Members in GCRB and in each of the three Glasgow Colleges and through review of relevant documentation.



Audit Assignment:	Influencing ROA Development
Priority:	Medium
Fieldwork Timing	TBC
Audit and Assurance Committee Meeting:	TBC
Days:	5

Scope

This review will focus on the processes put in place to ensure effective engagement with stakeholders in developing the Glasgow Region Outcome Agreement for 2022/23 and beyond.

Objectives

The objectives of the audit will be to ensure that:

- planned outcomes have been aligned with SFC strategic priorities in a way which allows stakeholders readily understand how they will contribute to the achievement of GCRB’s action to achieve these national goals;
- themes have been identified for the Glasgow Region which will provide a framework for strategy and policy development by stakeholders to deliver on regional priorities;
- feedback received from stakeholders has allowed an effective evaluation of the impact of key decisions to be considered from an equalities perspective; and
- the broad principles of allocation for both revenue and capital funding has been discussed in a proportionate manner with key stakeholders and is underpinned by a robust evaluation of need;
- engagement with stakeholders has been effective in ensuring the development of suitable output and outcome measures and targets which will allow the impact of the ROA to be measured and reported in a meaningful way.

Our audit approach will be:

We will assess whether the above objectives have been met through discussions with the GCRB Executive Director and the Finance & Resources Director and a sample of stakeholders, and review of relevant documentation.



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Audit Assignment:	Disaster Recovery
Priority:	Medium
Fieldwork Timing	TBC
Audit and Assurance Committee Meeting:	TBC
Days:	3

Scope

This audit will involve a high-level review of all elements necessary to support continued operation of GCRB to meet stakeholder, financial and regulatory expectations during unplanned events and service interruptions.

Objectives

The objectives of this audit are to assess ability of GCRB to execute backup plans and operate critical priority operations during an unplanned event and recover to business as usual (BAU) after the unplanned event. The audit will also cover emergency preparedness, including communications and evacuation requirements for safety and well-being of personnel. Accordingly, this audit will consider assurance around:

- Documentation of business continuity and disaster recovery requirements and procedures;
- Identification and prioritisation of business operations;
- Identification of requirements for continued operations in the event of an emergency or service disruption;
- Backup/scenario and workaround planning;
- Testing of backup and recovery systems, locations and personnel; and
- Tracking and reporting of business continuity testing results.

Our audit approach will be:

We will document the systems and key controls in place through interviews with staff in GCRB and review of relevant documentation and consider their adequacy.

We will then perform sample testing as appropriate to establish whether the identified controls are operating effectively in practice.



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Audit Assignment:	Oversight of Programme of Action
Priority:	Medium
Fieldwork Timing	TBC
Audit and Assurance Committee Meeting:	TBC
Days:	3

Scope

Our review will examine the mechanisms put in place to ensure oversight of the Programme of Action with a specific focus on social impact and economic growth.

Objectives

The objectives of this audit will be to ensure that:

- high-level regional commitments and planned outcomes adequately reflect the need for social impact and economic growth;
- planned actions are articulated in such a way that key stakeholders understand their role in driving forward the Programme of Action and have appropriate mechanisms in place to assess the risks associated with the delivery of Regional Actions;
- planned actions are connected to the priorities of key stakeholders to ensure alignment with supporting financial, people, digital and estates strategies; and
- there are appropriate reporting arrangements in place to allow effective oversight and monitoring of delivery.

Our audit approach will be:

We will assess whether these objectives have been met by meeting with staff connected to the planning, delivery and reporting of the Programme of Action.



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Audit Assignment:	Follow-Up Reviews
Priority:	Various
Fieldwork Timing	TBC
Audit and Assurance Committee Meeting:	TBC
Days:	1

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:

- for the recommendations made in previous reports ascertain by enquiry 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 Assurance Committee.



Aberdeen 45 Queen's Road AB15 4ZN
Dundee The Vision Building, 20 Greenmarket DD1 4QB
Edinburgh Ground Floor, 11-15 Thistle Street EH2 1DF
Glasgow 100 West George Street, G2 1PP

T: 01224 322 100 **F:** 01224 327 911
T: 01382 200 055 **F:** 01382 221 240
T: 0131 226 0200 **F:** 0131 220 3269
T: 0141 471 9870

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