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## Audit and Assurance Committee Meeting

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Date of Meeting	Tuesday 26 March 2024
Paper Title	Internal Audit Plan 2023-24
Agenda Item	7
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 2023-24.

### 2. Recommendations

- 2.1. The Committee is invited to **consider** the draft Internal Audit Plan 2023-24 and, subject to any amendments, **agree** the Internal Audit Plan 2023-24.

### **3. Report**

- 3.1.** The draft internal audit plan 2023-24 is attached. The plan has been informed by discussions between the internal auditor and chair of the audit and assurance committee and GCRB executive.

### **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.** The delivery of the internal audit plan helps to mitigate the following risks:

- A breach of legislation or regulatory requirements results in a failure of governance (Risk 008).
- Inadequate controls and preventative measures result in a breach (e.g. cyber attack, fraudulent activity) (Risk 009).

- 4.3.** There are no legal implications because of this report.

### **5. Financial and Resource Analysis**

- 5.1.** The annual internal audit programme is based upon a standard requirement of 15 days per annum. The price per day is in accordance with the 3-year contract, which commenced on 1 August 2021.

### **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 2023/24

Internal Audit Report No: 2024/01

Draft issued: 13 March 2024

2<sup>nd</sup> Draft issued: 18 March 2024

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 2024. The plan is based on the proposed allocation of audit days for 2023/24.
- 1.2 An Audit Needs Assessment (ANA) exercise was undertaken in 2019, based on the areas of risk that GCRB was 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. However, since the last year of the three-year Strategic Plan ended in 2021/22, a further extension to the Strategic Plan was required for 2022/23 and 2023/24.
- 1.3 The Annual Internal Audit Plan proposed for 2023/24 has been prepared following discussion with the Chair of the Audit and Assurance Committee and the Finance & Resources Director in February 2024. A copy of the extended 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 2023/24, together with the proposed audit approach. These scopes have been arrived at following discussion with the GCRB Executive Director and 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. Updated Strategic Plan 2020 to 2024

### Proposed allocation of audit days

		Actual	Actual	Actual	Proposed
	Priority	20/21	21/22	22/23	23/24
		Days	Days	Days	Days
<b>Corporate Governance</b>					
Thematic review of GCRB Governance - GCRB organisation specific governance	High		3		6
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				
<b>Corporate Planning</b>					
Influencing ROA development	Medium		4		
Strategic Planning	High	5			
Monitoring of progress against Corporate Plan	High				
Monitoring of achievement of target student numbers	High				
Student engagement	Low				
Influencing Student Outcomes	High				5
<b>Risk Management</b>					
Glasgow Region risk management	High				
Oversight of assigned colleges risk management)	Medium				
Disaster Recovery Planning	Medium		3		
<b>Finance</b>					
Financial sustainability	High			5	
Payroll and creditors	Medium	1			
Budget setting	Medium				
Receipt of funds and funding allocation	Medium				
Funding allocations	Medium			4	
Financial performance monitoring (GCRB and assigned colleges)	Medium				
Scenario planning / Risk	High			3	
Other key financial controls	Low				
Monitoring management of major capital projects	Medium				
Student support funds allocation and management	Low				
Shared Services	Medium				
<b>Performance</b>					
Oversight of programme of action	Medium		4		
Collaborative Training Provision BPR	Medium				



## Internal Audit Annual Plan 2023/24 - DRAFT

		Actual	Actual	Actual	Proposed
	Priority	20/21	21/22	22/23	23/24
		Days	Days	Days	Days
<b>Other Areas</b>					
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	2	1
<b>Audit Management</b>					
Management and planning )		3	3	3	3
External audit / SFC )					
Attendance at Audit & Assurance Committee )					
<b>Total</b>		15	18	17	15
		=====	=====	=====	=====

### Key

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



### 3. Outline Scope and Objectives

<b>Audit Assignment:</b>	Thematic review of Governance
<b>Priority:</b>	High
<b>Fieldwork Timing</b>	TBC
<b>Audit and Assurance Committee Meeting:</b>	TBC
<b>Days:</b>	6

**Scope**

The scope of this assignment will be to consider the direction of travel and the GCRB scenario planning conducted around the governance arrangements required to deliver the new Financial Memorandum expected from the Scottish Funding Council.

**Objectives**

The objectives of the review will be to ensure that:

- The impact of the new Financial Memorandum on GCRB is understood by all stakeholders;
- There has been appropriate consideration for ‘blue sky thinking’ to explore the governance options available to discharge GCRB responsibilities as set out within the new Financial Memorandum;
- There has been consultation with stakeholders, including SFC, around the options for change to the governance arrangements; and
- There has been sufficient GCRB Board consideration of any changes proposed to the existing governance arrangements.

**Our audit approach will be:**

We will assess whether the above objectives have been met through discussions with the Executive Director, the Finance and Resources Director, and Board Members, and through review of relevant documentation.





<b>Audit Assignment:</b>	Influencing Student Outcomes
<b>Priority:</b>	High
<b>Fieldwork Timing</b>	TBC
<b>Audit and Assurance Committee Meeting:</b>	TBC
<b>Days:</b>	5

**Scope**

This review will focus on the processes in place, which allow GCRB to influence the target setting and monitoring of student outcomes across the Glasgow Region, such as student retention, student attainment, articulation levels and student satisfaction.

**Objectives**

The objectives of the audit will be to ensure that:

- There is appropriate review and oversight by GCRB of the suite of KPIs collated and reported;
- There is effective challenge and support from GCRB around the setting of targets and the achievement of these targets by Colleges;
- The emerging themes around student outcomes are identified at a Glasgow region level and approach collective action is built into forward planning.

**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 review of relevant documentation.



**Internal Audit Annual Plan 2023/24 - DRAFT**

<b>Audit Assignment:</b>	Risk Management Session
<b>Priority:</b>	High
<b>Fieldwork Timing</b>	TBC - After the Summer Break
<b>Audit and Assurance Committee Meeting:</b>	N/A – Delivery as part of a future Board Development session
<b>Days:</b>	1

**Scope**

These audit days will be utilised to plan and deliver a risk session which will explore the roles and responsibilities of the GCRB Board and Executive around risk management in the context of the risk Management Policy and the Scottish Public Finance Manual. The session will also challenge the relevance of the current strategic risks and revisit the risk appetite for the relevant risk categories (as set out in HM Government guidance).

**Objectives**

The objectives of this session will be:

- To ensure collective understanding of the roles and responsibilities placed upon the GCRB and Executive around risk management;
- To challenge the relevance of the existing strategic risks in the context of the direction of travel at that time; and
- To facilitate a discussion to assist the GCRB Board in setting the risk appetite for the relevant risk categories.

**Our audit approach will be:**

We will plan and deliver a risk session as part of a future Board Development Session in order to deliver on the above objectives. In advance of this session we will work with the GCRB Executive to identify the relevant risk categories to be scored.



**Internal Audit Annual Plan 2023/24 - DRAFT**

<b>Audit Assignment:</b>	Follow-Up Reviews
<b>Priority:</b>	Various
<b>Fieldwork Timing</b>	November 2024
<b>Audit and Assurance Committee Meeting:</b>	January 2025
<b>Days:</b>	1

**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. This will involve an in depth analysis of outstanding recommendations and the potential reframing of recommendations and/or management responses to ensure that recommendations carried forward remain relevant to current circumstances.

**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.



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