

Audit Committee Meeting

Date of Meeting	Tuesday 29 May 2018
Paper Title	Internal Audit Report – Monitoring of Progress Against Corporate Plan
Agenda Item	11
Paper Number	AC4-G
Responsible Officer	Robin Ashton, GCRB Executive Director
Status	Disclosable
Action	For noting

1. Report Purpose

- 1.1. A review has been undertaken by Henderson Loggie on monitoring of progress against GCRB’s corporate plan and the report is provided to the Audit Committee for consideration.

2. Recommendations

- 2.1. The Committee is invited to **note** this report.

3. Report

- 3.1. A review of arrangements to deliver, and monitor progress of, strategic goals was identified in the Internal Audit Plan of work for 2016-17.
- 3.2. The audit reviewed progress made by Regional Leads and identified how progress is being reported to the GCRB Board. The audit also reviewed reporting arrangements in place covering assigned colleges’ performance regarding the seven strategic learning priorities set out in the GCRB Strategic Plan 2017-2022.
- 3.3. The work undertaken by Henderson Loggie has been conducted with the support of GCRB and college Regional Leads.

4. Risk Analysis

- 4.1. This review focused on the controls in place to mitigate the following identified risks:
- Poor environment scanning, and scenario planning, results in a failure to respond proactively to macro-level changes;
 - Effective working relationships are not developed/maintained with key partners due to a focus on short-term internal priorities; and
 - Opportunities are missed/not resourced appropriately and the potential to add value via the strategic plan is overlooked.

5. Legal Implications

5.1. There are no specific legal implications arising from this report.

6. Resource Implications

6.1. There are no specific financial implications arising from the report.

7. Strategic Implications

7.1. This report provides the GCRB Board with an overall level of assurance that its arrangements for delivery and monitoring of its strategic plan are categorised by the Internal Auditor as good, with no significant weaknesses noted during their review.

Glasgow Colleges' Regional Board

Monitoring of Progress Against Corporate Plan

Internal Audit Report No: 2018/03

Draft Issued: 01 May 2018

Final Issued: 08 May 2018

LEVEL OF ASSURANCE

Good

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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	Issues which require the consideration of the Board or one of its committees.
Priority 2	Significant matters that the Executive Director can resolve.
Priority 3	Less significant matters, which do not require urgent attention, but which should be followed up within a reasonable timescale.

1. Overall Level of Assurance

Good	System meets control objectives.
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2. Risk Assessment

This review focused on the controls in place to mitigate the following risks on the Glasgow Colleges' Regional Board ('GCRB') Risk Register:

- Poor environment scanning, and scenario planning, results in a failure to respond proactively to macro-level changes (net risk score: 2);
- Effective working relationships are not developed/maintained with key partners due to a focus on short-term internal priorities (net risk score: 2); and
- Opportunities are missed/not resourced appropriately and the potential to add value via the strategic plan is overlooked (net risk score: 2).

3. Background

As part of the Internal Audit programme at GCRB for 2017/18 we carried out a review of how the GCRB Strategic Plan 2017-2022 ('the Strategic Plan'), which was launched in October 2017, is being delivered operationally. The Audit Needs Assessment identified this as an area where risk can arise and where Internal Audit can assist in providing assurances to the Board and the Executive Director that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

A proposal to resource GCRB initiatives was presented to the Board in early 2017 and the Board agreed that a collaborative workforce approach, using staff from Assigned Colleges for one day a week, was appropriate. Staff from Assigned Colleges were appointed to five Regional Lead roles for 2017-2019 covering: CPD; student experience; Developing Scotland's Young Workforce; curriculum and quality; and student data.

At the 4 September 2017 Board meeting a proposed structure for regional operational planning was outlined which highlighted:

- delivery of the four added value drivers, and 10 associated collaborative strategic ambitions, to be assigned to the Regional Leads for progression; and
- reliance on existing Assigned College structures for meeting the seven strategic learning priorities in the Strategic Plan.

Since September 2017 the Regional Leads have been identifying and working on actions relating to their specific area. Achievement of the seven strategic learning priorities has been confirmed through assigned colleges' Evaluative Report and Enhancement Plans (EREPs) which the colleges are required to complete for Education Scotland. The Executive Director has mapped the seven strategic learning priorities to the reporting categories within the EREPs.

4. Scope, Objectives and Overall Findings

Following on from the work undertaken around strategic planning during 2016/17 we reviewed progress made by Regional Leads and identified how progress is being reported to the GCRB Board. We also reviewed reporting arrangements in place covering assigned colleges' performance regarding the seven strategic learning priorities set out in the GCRB Strategic Plan 2017-2022.

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

Objective	Findings			Work In Progress	
	1	2	3		
The objectives of the audit were to gain reasonable assurance that:	No. of Agreed Actions				
1. The process for setting operational plans, and monitoring, reporting and escalating issues from Regional Leads' operating plans is robust and working effectively	Good	0	0	0	✓
2. The reporting arrangements in place covering assigned colleges' performance regarding the seven strategic learning priorities set out in the GCRB Strategic Plan 2017-2022 are formally set out and being complied with, and any issues are escalated on a timely basis for review	Good	0	0	0	
Overall Level of Assurance	Good	0	0	0	
System meets control objectives.					

5. Audit Approach

We documented processes in place through discussion with the Executive Director and a sample of Regional Leads and from this, and review of documentation, we determined whether the processes in place were robust and functioning effectively.

6. Summary of Main Findings

- Although formal operating plans were not in place for all Regional Leads, we noted from discussion with a sample of Regional Leads and review of documentation that key areas of focus had been identified; that Regional Leads were progressing actions against these key areas; and that the Executive Director was monitoring and reporting on progress made;
- The EREP process is being utilised to gain assurance over the seven strategic learning priorities without adding any additional administrative burden on the assigned colleges; and
- No significant weaknesses were noted during our review.

7. Acknowledgements

We would like to take this opportunity to thank the staff at the GCRB and from the Assigned Colleges who helped us during the course of our audit visit.

8. Detailed Findings

Objective 1: The process for setting operational plans, and monitoring, reporting and escalating issues from Regional Leads' operating plans is robust and working effectively

Setting Operational Plans

At the September 2017 GCRB Board, a paper was presented setting out the key objectives which Regional Leads would be working towards. This was subsequently elaborated upon in a paper that was presented to the October 2017 GCRB Board, which set out specific 'Year One Ambitions' for the Regional Leads. The Executive Director provided a template for the Regional Leads to aid operational planning. Some Regional Leads have used this template, while others have not. We spoke to two Regional Leads and noted that the reason they had not completed detailed operating plans was that a significant number of their actions were about researching areas, building relationships, and creating communication channels. As these activities were more iterative outcomes rather than being definitive outputs it was not considered beneficial to create a formal operating plan. However, the Regional Leads interviewed did consider that their roles and areas of focus for undertaking action were clear and that the Executive Director provided appropriate support to them. Given that this is the first year of operation for the Regional Leads, we consider that this process for defining aims is reasonable. However, we would expect that as the Regional Leads' activities become more defined going forward that formal Regional Lead operating plans should be developed by all Regional Leads. These should have SMART (Specific, Measurable, Achievable, Relevant and Time-bound) objectives, there should be a greater consideration of how many days would be required for each action (to ensure that adequate resource was earmarked to deliver each action), and more detailed project plans for significant actions should be developed to allow enhanced monitoring of actual progress against key milestones.

Monitoring and Reporting

Monitoring of progress by the Regional Leads was carried out through ad hoc or regular meetings or communication between the Regional Leads and the Executive Director. The Executive Director collated this information in order to prepare progress reports for the December 2017 and March 2018 GCRB Board meetings. We highlighted to the Executive Director that it is good practice for progress reporting to indicate if actions are on track for completion or not, such as through a Red/Amber/Green categorisation. Going forward we consider that there would be advantage in implementing this model.

It was discussed with the Executive Director that there may be benefit in introducing a light touch project management methodology to help ensure that projects that the Regional Leads are undertaking are appropriately controlled. The Executive Director advised that there would be benefit in considering this in 2018/19 once the Regional Leads' work was further developed.

Objective 1: The process for setting operational plans, and monitoring, reporting and escalating issues from Regional Leads' operating plans is robust and working effectively (Continued)**Escalating Issues**

There has been some flexibility applied in treating any slow progress identified in this first year of the Regional Leads. The Executive Director advised that any slippage would be monitored by him and if there was slippage on a major project that a Regional Lead was working on then a decision would be taken on whether it was appropriate to escalate the matter to the GCRB Board as part of the regular project reporting undertaken.

Regional Outcome Agreement

At the time of preparing the 2017/18 ROA the GCRB Strategic Plan had not been finalised. The Executive Director advised that the draft 2018/19 ROA has been developed to incorporate key priorities from the Strategic Plan. We reviewed the draft 2018/19 ROA and noted that the priorities from the Strategic Plan have been adequately reflected within the ROA.

Objective 2: The reporting arrangements in place covering assigned colleges' performance regarding the seven strategic learning priorities set out in the GCRB Strategic Plan 2017-2022 are formally set out and being complied with, and any issues are escalated on a timely basis for review

The operational planning paper presented to the September 2017 GCRB Board advised that GCRB would seek to place assurance on achievement of the seven strategic learning priorities from individual college planning and reporting structures.

During 2016/17 Education Scotland launched their new quality framework, 'How good is your college?' This requires colleges to self-evaluate against a number of categories, and identify areas for improvement, setting findings out in an Evaluative Report and Enhancement Plan (EREP). The EREPs are then reviewed by Education Scotland and the SFC and colleges are provided with an opinion on whether the reports: provide an accurate and appropriate account of the quality of provision and services being delivered by the college; identify clearly what is working well; identify what needs to improve; takes appropriate account of the views of stakeholders; and are supported by appropriately robust sources of evidence.

The Executive Director has mapped the seven strategic learning priorities against the required EREP reporting categories to ensure a complete match, and this was confirmed through our review of one of the assigned colleges' EREPs. As a result, the Executive Director has taken the decision that GCRB should place reliance on the EREPs, which reduces the administrative burden placed on the assigned colleges. We consider that this approach is a reasonable basis for considering achievement of the seven strategic learning priorities.

We noted that there are other sources of information that are also provided to GCRB on areas linked to the seven strategic learning priorities, such as student satisfaction survey results.