
Board Meeting

Date of Meeting	Monday 12 December 2016
Paper Title	Internal audit plan 2016-17
Agenda Item	9
Paper Number	BM3-E
Responsible Officer	Paul Buchanan, Chair of Audit Committee
Status	Disclosable
Action	For decision

1. Report Purpose

- 1.1. Consider the draft internal audit plan for 2016-17.

2. Recommendations

- 2.1. The Board is invited to **agree** the 2016-17 internal audit plan.

3. Background

- 3.1. The draft internal audit plan 2016-17 is attached for the Board's consideration.
- 3.2. The plan will be considered by the Audit Committee at its meeting on 12 December and verbal feedback will be provided to the Board on whether the Committee is recommending to approve.
- 3.3. The internal audit plan has been informed by discussions with the Chair of the GCRB Audit Committee and the GCRB Executive Director.
- 3.4. The plan assumes an input of 15 audit days.

4. Risk Analysis

- 4.1. The internal audit plan has been informed by GCRB's risk register.

5. Legal Implications

- 5.1. There are no specific legal implications.

6. Financial Implications

- 6.1. The provision of internal audit is a necessary component of an organisation's overall governance arrangement with regard to both financial and other matters.

7. Regional Outcome Agreement Implications

- 7.1.** Through the Regional Outcome Agreement and associated requirements, GCRB has to effective governance arrangements, of which internal audit is part.



Glasgow Colleges' Regional Board

Internal Audit Annual Plan 2016/17

Internal Audit Report No: 2017/01

Draft Issued: 2 December 2016

2nd Draft Issued: 5 December 2016

Final Issued:



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1. Introduction

- 1.1 The purpose of this document is to present for consideration by the Audit Committee the annual operating plan for the year ended 31 July 2017.
- 1.2 Audit needs have been assessed and prioritised through discussion with the GCRB Executive Director and Chair of the Audit Committee, and review of GCRB documents together with previous internal and external audit reports. The assessment covered the main areas where GCRB is exposed to risk that can be managed through internal control, and which therefore should be considered for examination by internal audit. Following on from the audit needs assessment a Strategic Plan has been formulated to cover the 2016/17 to 2018/19 financial years. The planned coverage for each year will be reviewed annually prior to the Annual Plan being finalised.
- 1.3 A copy of the 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 for each audit assignment to be undertaken during 2016/17. These have been arrived at following discussion with the GCRB Executive Director. Detailed scopes will be prepared following further discussion prior to audit fieldwork.
- 1.5 Separate reports will be issued for each assignment with recommendations graded to reflect the significance of the issues raised.

2. Strategic Plan 2016 to 2019

Proposed Allocation of Audit Days

	Priority	Proposed 16/17 Days	Proposed 17/18 Days	Proposed 18/19 Days
Corporate Governance				
GCRB governance)	High		5	
Board member recruitment to assigned colleges)	Medium			
Oversight of assigned colleges governance arrangements)	Medium			
Compliance with SFC Financial Memorandum	High	4		
Reputation – publicity and communications	Medium			
Corporate Planning				
Corporate Plan / ROA development)	Medium		5	
Monitoring of progress against Corporate Plan / ROA)	High			
Alignment with assigned college plans)	High			
Monitoring of achievement of target student numbers	High			3
Student engagement	Low			
Risk Management				
GCRB risk management)	High	3		
Oversight of assigned colleges risk management)	Medium			
Finance				
Budget setting	Medium			
Receipt of funds and funding allocation	High	4		
Funding recovery	High			
Financial performance monitoring (GCRB and assigned colleges)	High			
Scenario planning	High			3
Other key financial controls	Low			
Monitoring management of major capital projects	Medium			
Student support funds allocation and management	Low			
Processes for preparing consolidated financial statements	Medium			
Performance				
Academic quality arrangements	High			4
Sharing of good practice and collaboration	Medium			

Proposed Allocation of Audit Days (Continued)

	Priority	Proposed 16/17 Days	Proposed 17/18 Days	Proposed 18/19 Days
Other Areas				
Staffing issues	Low			
Partnership working (outwith GCRB group)	Medium			
Data Protection / Freedom of Information	Low			
Arrangements with assigned colleges to provide services to GCRB	Medium			
IT systems	Low			
Efficiency studies	Medium			
Follow-up reviews		1	2	2
Audit Management				
Management and planning)		3	3	3
External audit / SFC)				
Attendance at audit committees)				
Total		15	15	15
		=====	=====	=====

3. Outline Scopes

Audit Area	Outline Scope
<p>Compliance with SFC Financial Memorandum</p>	<p>The SFC Financial Memorandum with Fundable Bodies in the College Sector sets out the formal relationship between the SFC and fundable bodies, and the requirements with which fundable bodies must comply as a term and condition of grant from SFC. The responsibility for ensuring that the GCRB complies with the Financial Memorandum rests with the Board.</p> <p>This audit will look at the systems that have been put in place to ensure compliance with the Financial Memorandum, including required reporting from assigned colleges to the GCRB.</p>
<p>GCRB risk management / Oversight of assigned colleges risk management</p>	<p>Following on from the work undertaken in this area during 2015/16 we will assist the GCRB to implement further elements of risk management good practice and ensure that robust internal control systems are in place to identify, assess, manage and report risks.</p> <p>This will include consideration of how the GCRB systems interact with those of the assigned colleges.</p>
<p>Receipt of funds and funding allocation</p>	<p>The scope of this audit will to test the operation of the processes and key internal controls in place over the receipt of funding from the SFC, payment to the assigned colleges and monitoring of what the funds are spent on.</p>
<p>Follow-Up Reviews</p>	<p>This audit will look to establish the status of implementation of recommendations made in previous internal audit reports and confirm that the actions taken mitigated the identified weaknesses.</p>