
Audit and Assurance Committee Meeting

Date of Meeting	Tuesday 18 April 2023
Paper Title	Internal Audit Plan 2022-23
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 2022-23.

2. Recommendations

- 2.1. The Committee is invited to:
- **consider** the draft Internal Audit Plan 2022-23, **noting** the additional budget cost; and
 - subject to any amendments, **agree** the Internal Audit Plan 2022-23.

3. Report

3.1. The draft internal audit plan 2022-23 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. There are no legal implications as a result 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 plan for 2022-23 includes an additional 2 days above the standard requirement. 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 2022/23

Internal Audit Report No: 2023/01

Draft issued: 11 April 2023

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 2023. The plan is based on the proposed allocation of audit days for 2022/23.
- 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
- 1.3 The Annual Internal Audit Plan proposed for 2022/23 has been prepared following discussion with the Chair of the Audit and Assurance Committee and the Finance & Resources Director in March 2023. 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 2022/23, together with the proposed audit approach. These scopes have been arrived at following discussion with the GCRB 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 2019 to 2023

Proposed allocation of audit days

		Actual	Actual	Actual	Proposed
	Priority	19/20	20/21	21/22	22/23
		Days	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			4	
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					
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	4			
Performance					
Oversight of programme of action	Medium			4	
Collaborative Training Provision BPR	Medium	4			



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		Actual	Actual	Actual	Proposed
	Priority	19/20	20/21	21/22	22/23
		Days	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	2
Audit Management					
Management and planning)		3	3	3	3
External audit / SFC)					
Attendance at Audit & Assurance Committee)					
Total					
		15	15	18	17
		=====	=====	=====	=====

Key

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



3. Outline Scope and Objectives

Audit Assignment:	Financial sustainability
Priority:	High
Fieldwork Timing	September 2023
Audit and Assurance Committee Meeting:	October 2023
Days:	5

Scope

The scope of this assignment will be to consider the role of GCRB in overseeing financial sustainability, including financial forecasting for the Glasgow region.

Objectives

To objectives of the review will be to ensure that:

- The mechanisms in place for assessing the ongoing financial sustainability of the Glasgow Colleges are robust;
- The collective risks arising from the financial plans prepared by the three Glasgow colleges have been assessed and discussed through the appropriate governance channels;
- The basis for the financial forecasting for the Glasgow region is underpinned by accurate and complete data for both revenue and capital.

Our audit approach will be:

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



Audit Assignment:	Funding allocations
Priority:	Medium
Fieldwork Timing	June 2023
Audit and Assurance Committee Meeting:	October 2023
Days:	4

Scope

This review will focus on the systems put in place to calculate and distribute both revenue and capital finding allocations.

Objectives

The objectives of the audit will be to ensure that:

- There is an agreed methodology for calculating the funding allocations which is aligned to SFC requirements and has been discussed with the three Glasgow Colleges;
- The methodology used to calculate the latest funding allocations has been deployed accurately;
- Any variations to the initial funding allocations have been calculated and distributed appropriately; and
- All funding allocations have been communicated effectively and timeously to both the GCRB Board and the three Glasgow colleges.

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.



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Audit Assignment:	Risk Management Session
Priority:	High
Fieldwork Timing	August 2023
Audit and Assurance Committee Meeting:	N/A – Delivery at Board Development session
Days:	3

Scope

These audit days will be utilised to plan and deliver a risk session which will link into the emerging GCRB Strategy and will involve scenario planning and a revisit of the existing GCRB risk register.

Objectives

The objectives of this session will be:

- To ensure that existing and emerging risks arising from the new GCRB strategy are effectively captured in the GCRB risk register.

Our audit approach will be:

We will plan and deliver a risk session as part of the Board Development Session in August 2023 which will include scenario planning and assess the risks associated with the delivery of the strategic objectives set out in the emerging GCRB strategy.

The output from this session will be an updated GCRB risk register, which will reflect the discussions at the Board Development session and subsequent discussion with the GCRB Executive Director and the Finance & Resources Director.



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Audit Assignment:	Follow-Up Reviews
Priority:	Various
Fieldwork Timing	November 2023
Audit and Assurance Committee Meeting:	January 2024
Days:	2

Scope

This review will cover reports from the 2021/22 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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