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AUDIT COMMITTEE REPORT

Subject: Monitoring Internal Audit Follow-up Review	**Purpose:** **For Approval** ☐ **For Discussion** ☐ **For Information** ☒
Prepared by: Peter Smith, Vice Principal – Finance & Resources	**Date:** 15 November 2017

Purpose:
To advise the Committee of the progress made on the recommendations set-out in previous Internal Audit Reports.

Linked to Strategic Goal 5: Build Sustainability.

Executive Summary:

Please find attached a report highlighting the progress made on recommendations set-out in previous Internal Audit Reports as at 15 November 2017.

Recommendation:
Committee note the position.

Previous Committee Approvals:
N/A

For publication ☒	**For publication with redactions** ☐	**Not for publication** ☐

Borders College Internal Audit Monitoring Action Plan 2015

IT SYSTEMS						
RECOMMENTATION	**AGREED ACTION**	**GRADE**	**INTERNAL AUDIT DUE DATE**	**REVISED DATE**	**RESPONSIBLE PERSON**	**PROGRESS**
Web-filtering Protection - We recommend that the web-filtering system is applied to all wireless networks once the new ISLT infrastructure is implemented.	Agreed. To be implemented as part of infrastructure renewal.	Medium	31-Jul-17	31-Oct-17	Head of ISLT	ONGOING - Systems are being considered and how they will fit with the Wi-Fi system. This will be implemented as the new systems are changed. Nov 16 - Tender process has been started to acquire new wireless system. Jan 17 - F&GP has approved the award of the ISLT infrastructure and the winning bidder is now being notified. April 17 - The bidders were notified and the winner of Lot 1 and Lot 3 withdrew. Lot 1 was awarded to the second bidder. The work on lot 2 Wi-Fi cannot proceed until Lot 1 switches are in place. This functionality is being built into the design. Sept 17 - Dell failed to deliver switches in a timely fashion causing a knock-on-effect for the delivery of the WiFi system. Phase 1 of the WiFi has been installed and is working, this has to be integrated with the firewall to address these issues. The current firewall is reaching end of life and is being replaced. The current firewall is being reviewed and the many years of redundant code being removed before it is transfered to the new firewall. The old firewall has caused issues with the new hardware. Nov 17 update - Phase one of the wifi installation is now complete, the purpose of which was to switch from the old system to the new system without disrupting the work of the College and the university. The work to replace the firewall should be complete in September. The plan is to filter the student according to which organisation they belong to. hwu.ac.uk will go through one set of filters in line with university policy and borderscollege.ac.uk will go through filters in line with college policy. Users from other organisation will operate separately. As documentation has often been out of date there has been a lot of trail and error where lines of code no longer have a purpose have had to be removed and see what effect this has. There are rules for Blackberry that are no longer used.
IT Security Policy - We recommend the ISLT Security Policy is updated to cover the following areas or explain them in more detail; third party access, remote access, access control physical and network security. Alternatively there could be separate policies for each area.	Agreed. This will be completed as part of infrastructure improvements.	Low	31-Jul-17	31-Oct-17	Head of ISLT	ONGOING - Security policy is being incorporated within College's ISLT Strategy. Jan 17 - F&GP has approved the award of the ISLT infrastructure and the winning bidder is now being notified. Content of policy will require to refer to areas of new infrastructure currently under progress. April 17 - The bidders were notified and the winner of Lot 1 and Lot 3 withdrew. Lot 1 was awarded to the second bidder. The work on lot 2 Wi-Fi cannot proceed until Lot 1 switches are in place. This functionality is being built into the design. Sept 2017 - Servers, Switches ip telephony and WiFi have been replaced. To complement this the firewall has reached end of life and is being replaced in the life cycle of these infrastructure changes in light of the recent NHS cyber attacks the demands have changed and this is being incorparated into the new infrastructure. As an educational establishment with the Bring Your Own Device we are not able to follow the suggestion that we only use known devices on our network, we have to create layers of security to allow our students to be educated. An example would be students that need USB sticks for examination purposes, so this needs to be catered for rather than blanket bans. User education needs to be raised as this is not an IT only issue any more. Policy will now be updated to reflect this.

PIN Codes Smart Devices - We recommend the College ensure smart devices are connected with security PIN codes. There are a number of ways to do this, most commonly this is enforced through smart devices connecting to the Exchange server which can be configured to require a PIN code before connections are allowed.	Agreed. Audit of current devices carried out and staff advised of requirement to have PIN codes.	Medium	30-Jun-17	31-Oct-17	Head of ISLT	ONGOING - Security policy is being developed reflecting the need to increase staff awareness of security issues. Jan 17 - An inventory to confirm which staff members have a College device will be completed by the end of January 2017. April 17 - Completed. This policy can be enforced by the E-mail system for Android and I phones as the phones are replaced this will become automated. Sept 2017 - Phase 1 of WiFi solution is complete and the second phase includes replacement of the firewall which will lead to an increased level of security. This is a college so as such devices will attached to the network that are not known to the college. There has to be a compromise to allow Bring Your Own Device to happen. This means protecting data from outside device. The requirement for pincodes on staff devices can be achieved by switching this on at the e-mail server. Staff will be advised that this is going to happen. The e-mail server can also wipe stolen or lost devices. Registration on the WiFi network can check the operating systems are patched and up to date and block accordingly.
Endpoint Control Solution - We recommend the College continue to investigate possible solutions and following this implement this to ensure controls are in place.	Agreed. A recommendation will be made to management following completion of infrastructure project.	Low	31-Jul-17	31-Oct-17	Head of ISLT	ONGOING - Work continues as the new infrastructure is implemented. Jan 17 - award of infrastructure approved. Discussion on removal of unencrypted data from sites was discussed with Audit Committee members in Dec 2017. Head of ISLT considering how issue is dealt with practically followed by policy. Sept 2017 - Phase 1 of WiFi solution is complete and the second phase includes replacement of the firewall which will lead to an increased level of security. This is a college so as such devices will attached to the network that are not known to the college. There has to be a compromise to allow Bring Your Own Device to happen. This means protecting data from outside device. The requirement for pincodes on staff devices can be achieved by switching this on at the e-mail server. Staff will be advised that this is going to happen. The e-mail server can also wipe stolen or lost devices. Registration on the WiFi network can check the operating systems are patched and up to date and block accordingly.
ESTATES MANAGEMENT						
RECOMMENTATION	**AGREED ACTION**	**GRADE**	**INTERNAL AUDIT DUE DATE**	**REVISED DATE**	**RESPONSIBLE PERSON**	**PROGRESS**
Estates Strategy - We recommend the College review and issue the draft Estates Strategy.	Agreed. Estates Strategy scheduled for consideration by Board in June 2017.	Medium	30-Jun-17	07-Dec-17	Vice Principal - Finance & Resources	ONGOING. Jan 2017 - New revised date set for 1 June 2017. Sept 2017 - Draft Strategy was presented to the Regional Board in June. Final version will be presented on 26 Oct 2017. Nov 2017 update - draft strategy presented to F&GP Committee on 26 October with final version due for presentation to the Regional Board on 7 December 2017.
FINANCIAL CONTROLS						
RECOMMENTATION	**AGREED ACTION**	**GRADE**	**INTERNAL AUDIT DUE DATE**	**REVISED DATE**	**RESPONSIBLE PERSON**	**PROGRESS**
Raising Purchase Orders - We recommend that the College continue with the phased implementation to ensure this is implemented College wide.	Agreed. PECOS implementation will continue to be extended.	Low	30-Jul-17	31-Dec-17	Head of Finance & Procurement	ONGOING - Phased implementation continues. Jan 2017 - New revised date of 31 July 2017 set. Sep 2017 - additional users and suppliers continue to be added to the PECOS system on an ongoing basis. Nov 2017 - The Audit Committee agreed on 16/10/17 that this action could be removed from the monitoring action plan, given that updates would be provided through the Procurement Practices & Value for Money report.

Borders College Internal Audit Monitoring Action Plan 2016

CORPORATE GOVERNANCE						
RECOMMENTATION	**AGREED ACTION**	**GRADE**	**INTERNAL AUDIT DUE DATE**	**REVISED DATE**	**RESPONSIBLE PERSON**	**PROGRESS**
Self-evaluation Corporate Governance - We recommend that the Chair of the Board and Chairs of each sub-committee complete a self-evaluation on an annual basis. The evaluation should normally be led by the Vice Chair of the Board/Committee.	Agreed. Process is currently under consideration by Chair and Board Secretary.	Low	31-Jul-17	30-Apr-18	Board Secretary	ON-GOING Raised at the recent Clerks' Meeting on 8 September 2016 but there is no generic questionnaire therefore a new questionnaire will be drawn up. Nov 16 - draft questionnaire with Chair for comment. Jan 17 - Feedback from Chair received and currently with D Killean for consideration. Sept 2017 - At the June Regional Board meeting , the Board agreed to adopt the toolkit and pilot its use for self-evaluation within the next academic year. The Board Secretary would be responsible for ensuring that this was taken forward. Nov 2017 update - Revised date set for April 2018. Paper will be presented to the December Regional Board for discussion.

MIS DEPARTMENT						
RECOMMENTATION	**AGREED ACTION**	**GRADE**	**INTERNAL AUDIT DUE DATE**	**REVISED DATE**	**RESPONSIBLE PERSON**	**PROGRESS**
Course Information - We recommend that the College implement the entry tool once testing is completed and satisfactory.	Agreed. An interim solution is in place and further work will be carried out as resources are identified, with the intention to fully implement for Academic Year 2018-19.	Medium	31-Jul-18		Head of MIS	ONGOING - Tool is in early stages of testing and still to be shared with Faculty Heads. Nov 16 -This is stopped at the present due to the Developer not being here. Jan 2017 - Prioritised at ISLT Strategy Meeting on 7th December, 2016 as a Minor Project and Priority 2 but all of these are subject to us receiving adequate funding to allow these to go ahead from the Funding Council funding allocations which is not due to be announced until Spring 2017. Update Nov 2017 - The decision taken by the College SLT Strategy Group was to use the funding available to develop the Advantage and the links to CELCAT packages this year and not the Course Information tool. In the meantime the Head of MIS has developed a Tools for Reporting Service tool to allow the course information to be viewed on screen and/or downloaded in either excel or word to update information and return to MIS. This is now being used by Heads of Faculty and MIS.

Online Applications - We recommend that the College consider introducing an online application process for all courses on offer.	Agreed. The College agrees this is important; however, other systems developments have been agreed as taking precedence.	Low	30-Jun-18		Head of MIS & Head of ISLT	ONGOING - This has not been started yet. Jan 2017 - Prioritised at ISLT Strategy Meeting on 7th December, 2016 as a Major Project and Priority 2 but all of these are subject to us receiving adequate funding to allow these to go ahead from the Funding Council funding allocations which is not due to be announced until Spring 2017. Update Nov 2017 - The decision taken by the College SLT Strategy Group was to use the funding we have to develop Advantage and links to CELCAT packages this year and not the Online Applications for all courses, however we are trialling a method for school link applications from January 2018 to see if this can aid the schools with these applications.
Student Certification - We recommend that the College explore the possibility of setting up the Unit E system to allow electronic transfer of files with all awarding bodies.	Agreed. This will be progressed as part of the national Awarding Body to Centre Project.	Low	31-Dec-18		Head of MIS & Head of ISLT	ONGOING - This has been discussed but no work has yet been started on this as Capita are re-writing a part of the UNIT-e system which may address this. However, the solution from Capita will have a cost element to it but we may need to have it as part of the developments for A2C which SQA are now undertaking too. This is also dependent on SQA's re-write of their system which they are carrying out at present. Jan 2017 - New revised date set for 31/12/18 following feedback from SQA on their system timescales. Update Nov 2017 - The A2C project has not yet been rolled out nationwide and this is not due to happen for sometime yet. We have introduce uploading electronic spreadsheets to those awarding bodies where we are able to do this.