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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:** 3 September 2018

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 3 September 2018.

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For publication ☒	**For publication with redactions** ☐	**Not for publication** ☐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 - 2017/18 Follow up - We recommend that the College continue the investigation on the technical feasibility of separating the filtering policy and look to ensure appropriate web filtering is installed.	Agreed. Feasibility work is underway and a decision will be taken as to whether a solution is available after completion.	Regraded to Low from Medium on 8/2/18	31-Jul-18	01-Dec-18	Interim ISLT Manager	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 transferred 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. **Jan 18** - Web filtering in place for BC students - Unfiltered web access for HW students/staff in place. Aug 18 - Web filtering in place for BC students on wired LAN. Filtering for BC students on WiFi has been investigated and quotes provided from external suppliers. ISLT is looking at the feasibility of working this cost into the 2018-19 ISLT budget.
IT Security Policy - Follow-up review 2017/18 - We recommend that the College ensure the new IT Security Policy is completed and implemented.	Agreed. Policy scheduled to be approved at JCCP June 2018.	Low	31-Jul-18	30-Sep-18	Interim ISLT Manager	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 incorporated 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. **Jan 18** - proposed: IT Security Policy update in proposed projects. Aug 2018 - New IT Security Policy has been submitted and accepted by JCCP. Will be launched to all staff in September.

Endpoint Control Solution - Follow up 2017/18 - We recommend that following a review of the report provided by the Interim Head of ISLT a decision is made to ensure there are appropriate controls in place over data leaving the College network via removable media.	Agreed. A solution has been sourced, this would require approximately 15 days consultancy and £20k to implement. It will be considered as part of the resource allocations for 2018-19.	Low	31-Jul-18	01-Dec-18	Interim ISLT Manager	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. **Jan 18 -** in progress - Encryption and security management in place for college managed iOS devices (with email PIN requirement coving non-managed devices with access to email) & Encryption of data on college mobile Windows devices is set as a proposed project. Aug 18 - Financial cost of work on encryption/control of removable drives is currently being considered against the 2018-19 budget.

Borders College Internal Audit Monitoring Action Plan 2016/17

CORPORATE GOVERNANCE						
RECOMMENTATION	**AGREED ACTION**	**GRADE**	**INTERNAL AUDIT DUE DATE**	**REVISED DATE**	**RESPONSIBLE PERSON**	**PROGRESS**
Self-evaluation Corporate Governance - Follow up review 2017/18 - We recommend that following the approval of the Sub Level Evaluation Report 2016/17 & enhancement Plan 2017/18 that there are annual self evaluations of the Board completed.	Agreed. Following approval by Board in June 2018, annual self-evaluation will be implemented.	Low	31-Jul-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. **Jan 2017 -** At the December 17th Board Meeting the Board agreed that the Chair's Committee draft the Board sub-level self-evaluation report and enhancement plan for approval of the Board at its 8/3/18 meeting. The Chair's Committee met on 22/1/18 and the draft is in progress. Aug 18 - COMPLETED - Following an update report to the Board in March 18 the Report and Development Plan were with minor amendments approved by the Board in June 2018. The Board agreed that the Chair have authority to agree the final terms of the documents. The Development Plan has since been split into two separate plans to differentiate between operational and development matters. Progress against actions to be taken will be monitored.

MIS DEPARTMENT						
RECOMMENTATION	**AGREED ACTION**	**GRADE**	**INTERNAL AUDIT DUE DATE**	**REVISED DATE**	**RESPONSIBLE PERSON**	**PROGRESS**
Online Applications - Follow up 2017-18 - We recommend that the College review the success of the schools trial and look to implement online applications for all courses on offer.	Agreed. This will require resource of approx. £40k to implement and will be considered for 2018-19.	Low	31-Jul-18	30-Sep-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. **Update Jan 2018** - courses for schools now available to be applied for via online applications to see how this trial goes. Aug 18 - Review meeting set for 19th September, 2018 to Review Admissions process after changes introduced this year with a view to taking this forward for further development work in academic session 2018-19.

Student Certification - Follow up review 2017/18 - We recommend that the College continue uploading electronic data to awarding bodies where possible and following the finalisation of the A2C project upload all information electronically.	Agreed. While the College agrees it will implement this recommendation, it is entirely dependent on work at national level.	Low	Following completion of national project		Head of MIS	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 introduced uploading electronic spreadsheets to those awarding bodies where we are able to do this. Aug 18 - Awaiting national A2C developments before this can be moved forward.
STUDENT FUNDING						
RECOMMENTATION	**AGREED ACTION**	**GRADE**	**INTERNAL AUDIT DUE DATE**	**REVISED DATE**	**RESPONSIBLE PERSON**	**PROGRESS**
Business Impact Analysis - 2017/18 Follow up - We recommend that the College ensure the Business Impact Analysis for the College is completed for all College systems.	Agreed. Impact Analysis currently underway.	Medium	30-Jun-18	01-Dec-18	Head of ISLT	COMPLETED for student funding This system is backed up everyday. The company has been contacted to make sure that it does not have issues with uploads from students. The security of the server has been reviewed, whilst the impact analysis is carried out. Jan 2017 - New revised date set for impact analysis to be completed. The software company has confirmed that this is a SQL database that operates a transaction log, they have confirmed that the transaction log operates so that data can be restored to the nearest second in conjunction with the the previous day's backup. This is a reasonable level of risk versus cost. Sept 2017 - business impact analysis has been completed for student funding. Aug 18 - No further update.
IT SYSTEMS (Payroll)						
RECOMMENTATION	**AGREED ACTION**	**GRADE**	**INTERNAL AUDIT DUE DATE**	**REVISED DATE**	**RESPONSIBLE PERSON**	**PROGRESS**
Payroll (IT systems) - 2017/18 Follow-up Review - We recommend that the College ensure the process is followed and that staff members system access is disabled following the completion of their last working day.	Management checks to be completed twice per year in order to ensure procedures are being followed. The process to disable system access for staff leavers should also apply to Board Members.	Medium			Head of HR & Development / Interim Head of ISLT	Aug 18 - COMPLETED - Management checks scheduled.

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MARKETING						
RECOMMENTATION	**AGREED ACTION**	**GRADE**	**INTERNAL AUDIT DUE DATE**	**REVISED DATE**	**RESPONSIBLE PERSON**	**PROGRESS**
Communication with Senior Leadership Team - We recommend that the College Marketing Team meet with the College's Senior Leadership Team on a regular basis such as monthly or bimonthly.	Agreed. There has recently been a change to the Marketing reporting structure (August 2018) where previously the Marketing Manager reported to a member of SLT who reported to a Vice Principal. The Marketing Manager now reports directly to the Principal. In order to ensure that there is effective communication between the HOFs and BDU regular meeting are currently being established with both groups. The first HOFs meeting took place in October and the second will take place in January and a regular timetable agreed. Attendance at these meetings should be added to the meeting agendas once the timeframe, either monthly or bimonthly has been agreed with the HOFs and Vice principal for Curriculum. The updated Marketing Operational Plan will also be shared at these meetings. Regular meetings are now agreed with the Head of BDU. A formal schedule of meetings still needs to be established. In terms of the remit of the Marketing Team, as is the case with all other areas within the College. The Intranet holds an area for each College department with roles and responsibilities. The Marketing area is one of those areas and is updated as required. This has been the case for some 8 or 9 years and clearly shows the role of the Marketing Team. The College intranet has been viewed 16,587 times in the period 1/12/16 – 1/12/17 and the Marketing area viewed 207 times so clearly some members of staff are making use of this resource. However, the regular meetings with each of the areas identified will further ensure that there is greater opportunity for communication and understanding. However, staff should be encouraged to use all the resources available to avail themselves of appropriate information, which has already been made available.	Medium	31-Jan-18		Marketing & Publications Manager	Aug 18 - Completed - The Marketing Manager now regularly attends both the HoF meetings and BDU Managers meetings as well as 1:1 meeting with the Head of BDU. These meetings occur on a monthly or even more regular basis depending on the requirements of the areas involved.
Evaluation and review of printed material for College courses - We recommend that the Marketing Team carry out an evaluation and review of the success of the College's printed marketing material.	Agreed. The Marketing team will carry out an evaluation of printed marketing material with its key stakeholders with a view to report back to the College Executive Team with a recommendation.	Medium	31/03/2018		Marketing & Publications Manager	Aug 18 - Completed - Evaluation was completed and approved by the Principal in February 2018.

CURRICULUM PLANNING - COURSE COSTING						
RECOMMENTATION	**AGREED ACTION**	**GRADE**	**INTERNAL AUDIT DUE DATE**	**REVISED DATE**	**RESPONSIBLE PERSON**	**PROGRESS**
BDU non-certificated course costing - We recommend that the BDU use the standard College course costing template	Agreed. Consistent approach will be applied wherever possible; however, it should be noted that, where it is a contract that is being delivered for a client rather than a single course the nature of some delivery means that the level of contribution may be inconsistent, In such cases management take a view as to the viability or otherwise.	Low	Complete		VP Finance & Corporate Services	Aug 18 - Completed.
Approvals Procedure - We recommend that the College update the Approvals Procedures to state that courses are presented to and approved by the Senior Leadership Team and to include what makes a course financially viable.	Agreed. Procedure will be updated.	Low	31/07/2018		Director - Business Improvement & Performance	Aug 18 - Completed. Approvals Procedure updated and approved in June.

FIXED ASSET MANAGEMENT						
RECOMMENTATION	AGREED ACTION	GRADE	INTERNAL AUDIT DUE DATE	REVISED DATE	RESPONSIBLE PERSON	PROGRESS
Small Asset Register Checks - We recommend that the College seeks to update its small asset registers on a regular basis, such as every quarter. The College should ensure that these checks are documented so that evidence of these checks is able to be provided.	Agreed. Management consider that quarterly reviews are not practicable; however procedures will be amended to include six-monthly review of small asset registers.	Low	31/07/2018		Head of Finance & Procurement	Aug 18 - Completed - Action to review the small asset registry was taken on 5th July 2018. Documentary evidence of this review being done is available to view.
Assets Misidentified on Small Asset Registers - We recommend that the College ensures that staff updating the Small Asset Registers are suitably knowledgeable of the assets that they are recording so as to correctly identify them.	Agreed. Staff will be reminded of the importance of correctly identifying assets in the registers.	Low	31/07/2018		Head of Finance & Procurement	Aug 18 - Completed - Have held meetings with all the responsible SLT members following 5th July 2018 explaining the importance of the process and providing additional guidance.

FINANCIAL CONTROL						
RECOMMENTATION	AGREED ACTION	GRADE	INTERNAL AUDIT DUE DATE	REVISED DATE	RESPONSIBLE PERSON	PROGRESS
Financial Procedures Manual - We recommend that the College review and update the Financial Procedures Manual.	Agreed. Review of manual will be completed.	Low	31/07/2018	30/09/2018	Head of Finance & Procurement	Aug 18 - Ongoing - Date set in calendar with Finance Manager to update and amend Financial Procedures Manual.