

Internal Audit Plan 2018/19

The Educational Quality Committee is asked to review a paper from the Director of Internal audit. Under the Terms of Reference for the EQC, Internal Audit has a role to play in providing assurance to Senate on the adequacy and effectiveness of controls established to provide oversight over specific aspects of the framework and operation of academic regulation, policy and practices concerning the quality and standards of City

One action required.

Recommended action

Senate is asked to **note** the 2018/19 Internal Audit plan.

Publication: Open

INHERENT RISK assessment and coverage – UPDATED in APRIL 2018 (changes highlighted in red)

| AREA | Total (L x I) | Risk Significance | Audit Coverage | | | | | | |
|--|------------------|----------------------|----------------|--------------------|-------------|------------|---------|------------|--|
| | | | 2015.16 | 2016.17 | 2017.18 | 2018.19 | 2019.20 | 2020.21 | |
| Property Operations | 238 | High | Follow Up | Deferred | Substantial | Yes | Yes | Yes | |
| Capital Projects | 210 | High | Substantial | Substantial | TBC | Yes | Yes | Yes | |
| Information Technology | 210 | High | Sub/Limited | Substantial | TBC | Yes | Yes | Yes | |
| Admissions | 195 | High | Substantial | | | Yes | | Yes | |
| UK Visa and Immigration (UKVI) Compliance | 192 (204) | High | Substantial | Limited | TBC | Yes | Yes | Yes | |
| Procurement | 182 | High | Substantial | | Substantial | | Yes | | |
| Budget Management | 170 (180) | High | Substantial | | | Yes | | Yes | |
| Forecasting and Planning | 168 | High | Substantial | Full | | Yes | | | |
| Health and Safety | 168 | High | Follow Up | | Limited | | Yes | | |
| Student Records | 168 | High | Substantial | | | Yes | | Yes | |
| Income Management | 160 | High | Substantial | Substantial | Limited | | Yes | | |
| Strategic Planning | 154 | High | Substantial | | | Yes | | | |
| HESA and HESES Data Returns * | 154 (143) | High | Substantial | Substantial | Full | Yes | Yes | | |
| Business Continuity Planning | 140 (154) | High | Limited | Follow Up | Substantial | | Yes | | |
| Organisational Performance Management | 140 | Medium | Substantial | | | Yes | | Yes | |
| Student voice – representation, NSS, Your Voice, PRES, PTES | 135 (126) | Medium | | Substantial | | Yes | | Yes | |
| Payroll | 135 | Medium | | Substantial | | | Yes | | |
| Research Grants and Contracts | 135 | Medium | | Substantial | Substantial | | Yes | | |
| Website and Social Media | 132 | Medium | Substantial | | | Yes | | | |

| AREA | Total (L x I) | Risk Significance | Audit Coverage | | | | | | |
|--|------------------|----------------------|----------------|--------------------|-------------|---------|------------|------------|------------|
| | | | 2015.16 | 2016.17 | 2017.18 | 2018.19 | 2019.20 | 2020.21 | |
| Treasury Management | 130 | Medium | Substantial | | Substantial | | | | Yes |
| Timetabling | 126 | Medium | Substantial | | | | Yes | | |
| Student Services (support – personal tutoring) | 121 | Medium | | | | | | Yes | |
| International Recruitment | 121 | Medium | | Substantial | | | Yes | | |
| Staff Recruitment | 120 | Medium | | | | | | Yes | |
| Catering and Cleaning Contract Management | 120 | Medium | Substantial | | | | | Yes | |
| Programme Development, Approval and Amendment | 120 | Medium | | | Full | | | | Yes |
| Examinations and Assessment Regulations | 117 | Medium | | | | | Yes | | |
| Development and Alumni Relations | 112 | Medium | | | Limited | | | Yes | |
| UG and PG Recruitment (Marketing) | 110 | Medium | | Substantial | | | | | |
| Annual Programme Evaluations and Periodic Review | 108 | Medium | | Substantial | | | | Yes | |
| Security | 108 | Medium | | Full | | | | Yes | |
| Widening Participation | 108 | Medium | Substantial | | | | | | |
| Enterprise | 105 (91) | Medium (Low) | | Limited | | TBC | | Yes | |
| Programmes and Partnerships | 104 | Medium | | Substantial | | | | Yes | |
| Equality and Diversity | 100 | Medium | | | Limited | | | | Yes |
| Oversight of accreditation and professional body visits | 100 | Medium | | Substantial | | | | | Yes |
| Prevent Duty | 99 | Low | | | | | Yes | | |
| Students' Union | 99 | Low | Substantial | | | | | Yes | |

| AREA | Total (L x I) | Risk Significance | Audit Coverage | | | | | | |
|---|------------------|----------------------|----------------|-------------|---------|-------------|---------|---------|-----|
| | | | 2015.16 | 2016.17 | 2017.18 | 2018.19 | 2019.20 | 2020.21 | |
| <i>Phd Supervision and research degrees</i> | 96 | Low | | | TBC | | | | |
| <i>Academic Governance Committee and Delegation Structure</i> | 90 | Low | | | TBC | | | | Yes |
| <i>External Examining appointments and reporting</i> | 90 | Low | Substantial | | | | Yes | | |
| Placements and Internships | 90 | Low | | | TBC | | | | |
| Uni-tmps | 84 | Low | | | | | Yes | | |
| Energy and Environmental | 81 | Low | | | | Substantial | | | |
| Student Development (Mentoring and Buddy Scheme) | 80 | Low | | | | | | | Yes |
| Careers | 72 | Low | | | | | | | |
| Student appeals, complaints and discipline | 72 (56) | Low | | | | | Yes | | |
| Training and Development | 66 | Low | | | | | | Yes | |
| Communications and Events | 56 | Low | | Substantial | | | | | Yes |

Areas in Bold italics identify audits covering the Quality Manual (Academic Quality and Standards)

Likelihood Factors

1. Management concerns
2. Transaction stream risk
3. Devolution of responsibility
4. Complexity of system
5. Amount of resources allocated
6. Size of income and expenditure streams
7. Stability

Impact Factors

8. Statutory Breach
9. Impact on Other Systems
10. Impact on Service
11. Financial loss
12. Impact on Public Profile

* Forms a core part of the data opinion

APPENDIX 2: 2018/19 INTERNAL AUDIT PLAN

| Risk Register | PIs (Appendix 3) | Core Assurance | | | | Proposed Timing |
|---------------|------------------|----------------|--|---------------------------------------|------|-----------------------------|
| | | ARA | Audit Area (ARA Rating) | UET Audit Sponsor/Key Contact | Days | |
| 17, 18 | U | High | Information Technology (1-2 audits by BDO LLP) | Professor Verrall/Claire Priestly | 10 | TBC |
| 17, 18 | U | High | Information Technology (by in-house team) | Professor Verrall/Claire Priestly | 40 | December 2018 and June 2019 |
| 9, 10 | 11, 12 | High | Budget Management | Liz Rylatt/Marion O'Hara | 15 | March/April 2019 |
| 9, 10 | 10, 11, 12 | High | Forecasting and Planning | Liz Rylatt/Marion O'Hara | 10 | March 2019 |
| 16 | U, 11 | High | Capital Projects | Liz Rylatt/Kevin Gibbons | 10 | April 2019 |
| 16 | U, 12 | High | Property Operations | Liz Rylatt/Kevin Gibbons | 15 | February 2019 |
| 14, 19 | U | High | UKVI Compliance | Professor Bolton/Susannah Marsden | 15 | April 2019 |
| 2 | 1 | High | Admissions | Professor Bolton/Susannah Marsden | 10 | February/March 2019 |
| 2, 10, 16 | 10 | Medium | Strategic Planning | Professor Verrall/Rebecca Sudworth | 10 | November 2018 |
| 14, 17 | 1 | Medium | Student Records | Professor Bolton/Susannah Marsden | 15 | January/February 2019 |
| All | All | Medium | Organisational Management | Professor Verrall/Rebecca Sudworth | 15 | October 2018 |
| 13 | 8 | Medium | Website and Social Media | Professor Sir Paul Curran/Tim Longden | 10 | October 2018 |
| 1, 16 | - | Medium | Timetabling | Liz Rylatt/Kevin Gibbons | 15 | October/November 2018 |
| 4 | 8, 10 | Medium | International Student Recruitment | Tim Longden/Kate Timms | 15 | January 2019 |

| | | | | | | |
|--|------|--------|--|-----------------------------------|------|----------------|
| 15 | 8 | Low | Prevent | Professor Bolton/Susannah Marsden | 10 | January 2019 |
| TOTAL DAYS FOR CORE ASSURANCE | | | | | | |
| 225 | | | | | | |
| Academic Processes | | | | | | |
| 3 | E, U | Low | Student appeals, complaints and discipline | Professor Bolton/Susannah Marsden | 10 | February 2019 |
| 1, 2 | U | Medium | Examinations and Assessment Regulations | Professor Bolton/ | 15 | April 2019 |
| 1 | U, 2 | Medium | Student Voice | Professor Bolton/Alison Edridge | 15 | March 2019 |
| TOTAL DAYS FOR ACADEMIC PROCESSES | | | | | | |
| 30 | | | | | | |
| Strategic PI Reviews | | | | | | |
| Risk Register | PIs | | Audit Area | UET Audit Sponsor/Key Contact | Days | |
| 2 | P | | Progression | Professor Bolton | 15 | September 2018 |
| 3 | E | | Student Satisfaction | Professor Bolton | 15 | September 2018 |
| | | | OfS Compliance | Professor Bolton | 25 | May 2019 |
| TOTAL DAYS FOR STRATEGIC REVIEWS | | | | | | |
| 55 | | | | | | |
| Risk Register | PIs | | Value For Money | | | |
| | - | - | VFM Mapping | Professor Verrall | 5 | TBC |
| | - | - | VFM Strategy Validation | Professor Verrall | 5 | TBC |
| TOTAL DAYS FOR VFM | | | | | | |
| 10 | | | | | | |
| Risk Register | PIs | | Risk Management | | | |
| N/A | N/A | High | Risk Review | Professor Verrall | 15 | TBC |
| TOTAL DAYS FOR RISK MANAGEMENT | | | | | | |
| 15 | | | | | | |

| Corporate Governance | | | |
|---|--------|---|---|
| Risk Register | PIs | Corporate and Executive Governance - TBC | Professor Sir Paul Curran and Dr Jordan |
| | 13, 15 | N/A | 10 |
| | | | TBC |
| TOTAL DAYS FOR CORPORATE GOVERNANCE 10 | | | |
| PIs | | | |
| Data Quality Framework | | | |
| - | - | Data Quality Framework assessment | 5 |
| - | - | OfS Data Return - TBC | 15 |
| | | | June 2019 |
| | | | October 2018 |
| TOTAL DAYS FOR DATA OPINION 20 | | | |
| Other Ad-Hoc Work | | | |
| | | FP7/H2020 Grant Claims | 15 |
| | | Follow up | 20 |
| | | Advisory Work for the ET/ExCo members | 40 |
| | | ARC By Request | 30 |
| | | Audit Planning and Scoping | 30 |
| | | Anti-fraud work | 20 |
| | | Audit Management | |
| | | <ul style="list-style-type: none"> ARC papers and meetings with Chair Meetings with Senior Management (President VPs CFO, CIO, College Secretary and Deans) Senior Finance Team/Fraud Risk Group/other Boards Internal Audit Plan development and annual planning | 20 |
| | | Research (audit prep and planning) | 45 |
| TOTAL DAYS FOR OTHER AD HOC WORK | | | 220 |
| *TOTAL DAYS FOR 2018/19 | | | 585 |

Upon approval of the 2018/19 Internal Audit Annual Plan, a timetable for all audits throughout the year will be agreed with the audit sponsor. The timetable will set out for each individual audit: start date, end date, date for issue of draft report and date for receiving management responses.

INITIAL PROPOSED SCOPES

| AUDIT AREAS | SCOPE | Proposed Timing | Scoping Meeting | UET Agreed |
|--|--|---|--------------------------------|---------------------------|
| Information Technology | TBC | | Claire Priestley | Professor Verrall |
| Strategic Reviews | <p>For 2018/19, the internal audit plan will include days to address areas of specific strategic importance. Following discussion with ET the following activities were identified:</p> <ul style="list-style-type: none"> ➤ Progression ➤ Employability ➤ OfS Compliance | <p>September 2018</p> <p>September 2018</p> <p>January 2019</p> | Susannah Marsden | Professor Bolton |
| Organisational Performance Management | <ul style="list-style-type: none"> • Setting institutional performance targets; • Development of departmental, school and individual performance targets; • Monitoring and reporting of performance; and • Adjustments and corrections to operational performance. | October 2018 | Rebecca Sudworth | Professor Verrall |
| Website and Social Media | <ul style="list-style-type: none"> - Governance and Responsibilities; - Risk Assessment – Have the risks associated with social media been identified and evaluated? - Brand Protection – How is the Institution’s brand protected from negative publicity and reputation damage? This would include an assessment of: <ul style="list-style-type: none"> • Management and security of corporate social media accounts • Standards and guidance on corporate and personal social media use • Monitoring of relevant social media content • Incident management including branding enforcement - Website Content – How is publishing on the University’s own web pages controlled? | October 2018 | Tim Longden | Professor Sir Paul Curran |
| Timetabling | <ul style="list-style-type: none"> • Data collection (programmes, student numbers, modules); • Assessment of space requirements (IT, class size and space); • Scheduling (across the programme); • Changes and cancellations; • Publication and communication; and | November 2018 | Kevin Gibbons and Hannah Evans | Liz Rylatt |

| AUDIT AREAS | SCOPE | Proposed Timing | Scoping Meeting | UET Agreed |
|--|--|------------------------|---------------------------------------|-------------------|
| | <ul style="list-style-type: none"> Space audits. | | | |
| OfS/HESA Data Return – TBC | <ul style="list-style-type: none"> Roles and responsibilities; Identification of requirements and data sources; Data integrity and validation; and Assessment of data interdependency. | November 2018 | TBC | TBC |
| Strategic Planning | <p>Strategy development</p> <ul style="list-style-type: none"> Alignment of objectives to vision; Development of PI's and KPIs; Review of PI and KPI Assumptions; and <p>Strategy mobilisation:</p> <ul style="list-style-type: none"> Governance framework; Resource management; and Management of work streams. | November 2018 | Rebecca Sudworth | Professor Verrall |
| International Student Recruitment | <ul style="list-style-type: none"> Market intelligence and targeting; Resource planning; Monitoring of applications and offers; Conversion rates; Application processing and decision making; and Managing candidates (i.e. rejections and alternative offers). | January 2019 | Tim Longden and Kate Timms | Professor Bolton |
| Prevent Duty | <ul style="list-style-type: none"> Prevent risk assessment and action plan; Annual reporting; Management of prevent duty responsibilities: <ul style="list-style-type: none"> Prevent coordinator; Staff training; External speakers and events; The operation of welfare policies; IT policies; and Student Unions. | January 2019 | Susannah Marsden and Yewande Akindele | Professor Bolton |
| Term 2 | | | | |
| Property Operations | <ul style="list-style-type: none"> Responsive repairs; Planned maintenance programme; Budget monitoring and reporting; and Performance monitoring against plans. | February 2019 | Kevin Gibbons and Dean Beedon | Liz Rylatt |
| Student Records Management | <ul style="list-style-type: none"> Student registration (enrolment); Amendments to the student records system; Maintenance of academic data; Access to student records; Data security; and Data retention. | February 2019 | James Birkett and Emma Boylan | Professor Bolton |

| AUDIT AREAS | SCOPE | Proposed Timing | Scoping Meeting | UET Agreed |
|---|--|------------------------|--------------------------------|-------------------|
| Student appeals, complaints and discipline | <ul style="list-style-type: none"> • Stage 1 Appeals Process; • Stage 2 Appeals Process; and • Referral to the Office of the Independent Adjudicator. | February 2019 | Megan Gerrie and Shereen Sally | Professor Bolton |
| UG and PG Admissions | <ul style="list-style-type: none"> • Student number forecasting; • Monitoring of applications and offers; • School conversion of applications to Unconditional Firm status; and • Reporting and confirmation of student number status. | March 2019 | James Birkett | Professor Bolton |
| Forecasting and Planning | <ul style="list-style-type: none"> • Identification of key data drivers; • Projections and targets; • Risk analysis and scenario planning ; and • Measuring performance and progress. | March 2019 | Marion O'Hara | Liz Rylatt |
| Student Voice | <ul style="list-style-type: none"> • Undertaking survey; • Analysis and feedback; • Development of action plans (University and School level); and • Monitoring and correction of action plans. <p>The audit will review the following:</p> <ul style="list-style-type: none"> • Module Evaluation; • National Student Survey; • Your Voice 1 and 2; • Postgraduate Taught Experience Survey; and • Postgraduate Research Experience Survey (PRES). | March 2019 | Susannah Marsden | Professor Bolton |
| Term 3 | | | | |
| UKVI Compliance | <ul style="list-style-type: none"> • Assessment of language ability; • Issuing of CAS; • Enrolment and registration; • Attendance monitoring; • VISA and Passport records; • Notice to Withdrawal; and • Changes in circumstances. | April 2019 | James Birkett and Jelena Culum | Professor Bolton |
| Budget Management | <ul style="list-style-type: none"> • Budget Compilation; • Budget approval and notification; • Delegated responsibility; • Budget monitoring; • Mid-year forecasting; and • Management information. | April 2019 | Marion O'Hara | Liz Rylatt |
| Capital Projects (Sebastian Street) | <ul style="list-style-type: none"> • Major Works Strategy; • Project Set up and Approval; • Tendering; • Contract Document (Incl. Insurance); • Project Monitoring; and • Change control. <p>Indicative scope will be flexed dependent</p> | April 2019 | Kevin Gibbons | Liz Rylatt |

| AUDIT AREAS | SCOPE | Proposed Timing | Scoping Meeting | UET Agreed |
|--|---|------------------------|-------------------------------------|-------------------|
| | upon the project progress. | | | |
| Examinations and Assessment Regulations | <p>Examinations</p> <ul style="list-style-type: none"> • Control of papers; and • Invigilation. <p>Assessment Boards</p> <ul style="list-style-type: none"> • Structure and composition; • Meeting preparation and execution; • Internal and external examiner input; • Record and disclosure of assessment results; and • Extenuating circumstances | April 2019 | Susannah Marsden and Alison Edridge | Professor Bolton |
| OfS Compliance | <ul style="list-style-type: none"> • TBC | May 2019 | Susannah Marsden | Professor Bolton |
| Data Quality Framework Assessment | Completion of the data quality framework annual assessment. | June 2019 | n/a | n/a |
| Risk Review | <p>The audit approach for the risk review was to provide assurance over the following:</p> <ul style="list-style-type: none"> • A confirmation of the existence of the controls identified in the risk register; • Identification of controls in existence not identified in the risk register; • Where necessary the action or process identified detailed in the controls description will be clarified to facilitate audit testing; and • Testing will be conducted to determine if controls identified are operating as intended (effective). <p>In addition, attention will be given to the:</p> <ul style="list-style-type: none"> • Assessment of the inherent risk rating applied; • Further control improvements considered, and the plans in place to input proposed control improvements; • Risk evaluation and assessment of the residual risk appropriateness; and • Destination risk score. | July 2019 | Mark Brace | Professor Verrall |
| VFM Mapping | The objective of the value for money mapping is to identify where VFM assurance can be supported by the internal audit programme. | July 2019 | TBA | |
| VFM Strategy Validation | The audit will review and evaluate the progress made by the University in delivering against the various | July 2019 | Suri Araniyasundaran and Marion | Liz Rylatt |

| AUDIT AREAS | SCOPE | Proposed Timing | Scoping Meeting | UET Agreed |
|----------------------------------|--|------------------------|------------------------|---|
| | components of the VFM matrix. | | O'Hara | |
| Corporate Governance | <ul style="list-style-type: none"> TBC | TBC | TBC | Dr Jordan and Professor Sir Paul Curran |
| Follow Up Audit | <ul style="list-style-type: none"> An audit will be completed, to ascertain whether previously raised audit recommendations have been implemented effectively, for all systems audited. | n/a | n/a | n/a |
| Proactive Anti-fraud work | <ul style="list-style-type: none"> Awareness presentations; Workshops; and Pro-active audit in areas identified as part of the Fraud Risk Assessment. | n/a | n/a | n/a |

RISK REGISTER MAPPING

| Risk Register - Oct 2017 | | Post-Control RAG rating | | | Risk Owner |
|---|---|-------------------------|------|----|---|
| | | Jun '17 Nov '16 | | | |
| Students – decrease in quality and number, educational outcomes | | | | | |
| 1 | The risk that City's student satisfaction relative to the sector has an adverse impact on student recruitment, reputation and income | ↑ 16 | 12 | 12 | Deputy President and Provost |
| 2 | The risk that the quality and number of students applying and being accepted does not meet plans and that progression and completion for existing students fails to improve significantly | 21 | 21 | 21 | Deputy President and Provost |
| 3 | The risk that City's graduates do not achieve employment in graduate jobs in sufficient number through e.g. lack of placements and poor preparation for interview | ↑ 14 | 8 | 8 | VP Equality, Strategy & Planning |
| 4 | The risk that our international student growth targets are not achieved | 21 | 21 | 21 | Director of Marketing & Communications |
| Staff – decrease in quality, research and educational indicators | | | | | |
| 5 | The risk that performance management of academic staff does not reward excellence and decisively address under performance | 14 | 14 | 14 | Director of HR |
| 6 | The risk that City is perceived as unsupportive towards equality and diversity issues resulting in lower student satisfaction; more difficult staff recruitment; reduced staff satisfaction, potential legal action | 8 | ↑ 8 | 6 | Chair of Equality Committee |
| 7 | The risk that the need for significant and rapid change results in lowered staff motivation | 12 | 12 | 12 | Director of HR |
| 8 | The risk that Brexit adversely affects EU staff retention and recruitment | 28 | 28 | - | Director of HR |
| Financial unsustainability including control of expenditure | | | | | |
| 9 | The risk that City does not generate sufficient recurrent surpluses by maximising income and controlling expenditure in order to be financially sustainable and enable future investment. | 4 | 4 | 4 | Director of Finance |
| 10 | The risk that the planned growth in income from research grants and contracts is not achieved | 12 | ↑ 12 | 8 | VP Research & Enterprise |
| Research and general reputational decrease | | | | | |
| 11 | The risk that the university fails to prepare itself properly for the next REF, against its ambitious research Academic Output KPI, negatively impacting reputation and funding | 14 | 14 | 14 | VP Research & Enterprise |
| 12 | The risk that the number and quality of research students is not achieved | 12 | ↑ 12 | 8 | VP Research & Enterprise |
| 13 | The risk that we fail to communicate key messages effectively, particularly around the strengthening of City's brand and that City's improved research reputation is not widely recognised | 14 | ↑ 14 | 8 | Director of Marketing & Communications |
| Events - the risk that poor institutional governance have a deleterious effect on our institutional outcomes | | | | | |
| 14 | The risk that a failure to monitor and manage compliance procedures (including UKVI, QAA and accreditations) result in an inability to operate or damaged reputation | 22 | 22 | 22 | Deputy President and Provost |
| 15 | The risk that a failure to implement and comply with the Prevent Statutory Duty to ensure students are not drawn into terrorism, will result in reputational damage | 8 | 8 | 8 | VP Research & Enterprise |
| 16 | The risk that our inability to fully implement the Estates Strategy, and/or to provide an appropriate level of service to operate, maintain and sustain the required quality adversely impact students and staff | ↓ 8 | 12 | 12 | Director of Finance / Dir. of Property & Facilities |
| Catastrophe - The risk that a catastrophic event has a major impact on our ability to continue to operate | | | | | |
| 17 | The risk that ineffective structures, policies and procedures regarding information governance lead to a loss or improper disclosure of sensitive information, resulting in damaged reputation or significant financial, regulatory or legal impact | 14 | ↑ 14 | 8 | Director of IT |
| 18 | The risk that loss of information technology infrastructure prevents access to business and academically critical systems | ↑ 12 | ↑ 8 | 6 | Director of IT |
| 19 | The risk of a major failure or breach of health and safety legislation or policy, which is likely to give rise to injury, enforcement action, prosecution or reputational loss | 21 | 21 | 21 | Director of HR |

THREE LINES OF DEFENCE

Three lines of defence model

