

QUALITY AUDIT POLICY

Context

This policy paper sets out the aims, scope and process for the quality audit activities of The London Institute of Banking & Finance. The policy is approved by the Academic Audit Committee and used to frame the context and conduct of internal audits. It is also intended to provide a useful point of reference to those participating in audit and is published to The London Institute of Banking & Finance website to support the Academic Board and Operating Committee in assuring stakeholders of the effectiveness of all aspects of The London Institute of Banking & Finance's arrangements for management of academic quality and standards of the organisation's awards.

Aims of quality audit

Quality audit aims to support the maintenance of academic standards set by The London Institute of Banking & Finance and the enhancement of the student learning opportunities.

Quality audits aim to fulfil the enhancement function through dissemination of good practice and, where weaknesses or non-compliance are identified, to require and/or recommend appropriate action for improvement.

Definition

Quality audit does not enjoy a standard definition within education but can be defined as *'...a systematic and objective examination to determine the extent to which activities and their associated outcomes or results comply with established procedure and stated standards'*.

The scope of quality audit

The scope of the quality audit activity will be to provide evidence of the extent to which:

- confidence can be placed in the procedures of The London Institute of Banking & Finance;
- processes are carried out effectively and consistently and meet intended outcomes, including policy and procedures determined by the Academic Board and the Leadership Group; and
- processes are carried out in accordance with defined criteria (stated standards) as benchmarked against internal and external requirements (as appropriate).

The quality audit will also:

- aid identification of areas of good practice and facilitate dissemination of these across The London Institute of Banking & Finance;

- measure activities against good practice from benchmarked institutions in the sector with the aim of enhancing processes in that area (e.g. annual monitoring);
- identify areas of risk and their mitigation to support The London Institute of Banking & Finance's risk registers; and
- record non-compliance against policies.

The quality audit process

The quality audit process is designed as an academic peer review exercise encouraging self-reflection and enhancement.

The selection of areas to be audited

Criteria for the selection of areas to be audited include: areas of on-going academic development/enhancement; areas affected by up-coming external scrutiny activity; areas identified through the organisation's risk registers; and where the outcomes of the audit process are expected to play a clear developmental role. An audit may also be prompted if weaknesses are identified (or suspected) in an area and/or are commented on by an external examiner or external audit.

Audit personnel

An audit team will be responsible for carrying out the audit under the authority of the Academic Audit Committee. The audit team normally consists of two auditors.

A degree of independence is required by those involved in quality audit activities. Auditors will be drawn from across The London Institute of Banking & Finance, including staff, Faculty and externally as appropriate. Within the Quality, Policy and Regulation team (QPR), the Manager, Quality Audit & Review, will be responsible for facilitating quality audit activities under direction from the Associate Dean, Quality, Policy and Regulation.

Auditors will be required to undergo audit training and will be independent of the area to be audited. Auditors are required to report any conflicts of interest that may arise while undertaking the role and how these conflicts will be managed when undertaking the audit (noting that all attempts are made to ensure conflicts of interest are kept to a minimum).

Staff within departments and/or teams being audited will be provided with specific guidance on the topic of audit (terms of reference), generic guidance on the audit function and the format of the audit itself. Prior to undertaking a quality audit, staff will be required to undergo audit training provided by QPR.

Format/procedure

The Manager, Quality, Audit & Review will draft an initial document outlining the terms of reference for the audit including; the purpose of the audit; the methodology to be employed, and; indicative outcomes (findings and recommendations). The audit terms of reference (ToR) document will be put to appropriate deliberative committees of The London Institute of Banking & Finance for comment and will be approved by the Academic Audit Committee.

The Manager, Quality Audit & Review will meet with the 'team leader' of the area to be audited to discuss the process, timetable and documentation requirements.

The 'team leader' provides the documentation agreed with the auditors. Depending on the nature of the audit the documentation may include a brief self-evaluation document (framed by the audit terms of reference), describing the systems and processes in use and how their effectiveness is monitored and assessed

After consideration of the documentation, the audit team provides details of any additional documentation required for analysis, any personnel to be met and any audit trails for detailed scrutiny. Consideration will also be given to external benchmark/good practice approaches within the relevant education sectors.

The audit team will draft a report setting out the main findings of the audit and identify areas of good practice and recommendations for further action. The 'team leader' from the area undergoing the audit will be tasked with responding to the report, which will take the form of an action plan to address any recommendations.

The audit report and action plan will be presented to the appropriate deliberative committees of The London Institute of Banking & Finance, with oversight and final sign-off residing with the Academic Audit Committee. The action points will be tracked through the appropriate committee(s) and monitored by the Academic Audit Committee.

Quality audit pre-conditions

Quality audit is based on the following pre-conditions:

- the existence of identified and recorded internal requirements/precepts (as expressed, for example, in The London Institute of Banking & Finance's academic framework);
- the existence of identified and recorded external requirements;
- current systems and processes are clearly set out in The London Institute of Banking & Finance Code of Practice for Quality Assurance (in the case of HE programmes), appropriate policies and/or other documentation;

- the production of a reflective self-evaluation document by the team under audit, where appropriate;
- the auditors are independent of the area of audit;
- the audit process works in harness with the development of a quality culture;
- there is an emphasis on self-evaluative reviews which are supported centrally and
- appropriate steps are taken to implement recommendations and findings arising from the audit once identified and after due consideration by the relevant deliberative committee(s).

Quality audit plan

A five year quality audit plan is reviewed at each Academic Audit Committee meeting. The quality audit plan lists the areas due to be audited during the period in question and tracks the status of those previously undertaken. The quality audit plan will be made available to the deliberative committees and relevant stakeholders where appropriate.

Risk and non-compliance

There may be occasions when risk and/or non-compliance with policy, or other breaches, are identified. In such circumstances, recommendations to mitigate risk and the non-compliance will need to be followed to ensure that appropriate risk management is achieved as a matter of urgency.

The process for addressing non compliance aims to be straightforward and immediate. Following the identification of an issue/breach, the details will be considered by a member of the Quality, Policy and Regulation team and a timed action-plan agreed and action 'owners' identified from within the department concerned. A review of the action-plan will be scheduled within a timescale appropriate to the issue/breach and a deadline given for confirmation of mitigation of the risk/breach. The matter will be reported and tracked through the deliberative committees, principally the Academic Audit Committee, alongside the audit response and action plan, as appropriate.

QUALITY AUDIT PROCESS

Academic Audit Committee (a sub-committee of the Board of Governors) approves annual Quality Audit Plan



Identification of team to undertake audit (audit team)



Drafting of audit terms of reference/methodology document for consideration by the appropriate deliberative committees and approval by the Academic Audit Committee



Pre-audit meeting between the Manager, Quality, Audit & Review and 'team leader' of the area to be audited to discuss process, timetable and likely documentation



Documentation provided to the audit team by 'team leader' of the area to be audited



Audit team provide details of any additional documents required for analysis, personnel to be met and audit trails required for scrutiny



Audit proceeds, including external benchmarking



Audit team draft formal report on the findings of the audit including recommendations for further action



'Team leader' of the area undergoing the audit provides a formal response to the action plan addressing any recommendations



Report and action plan submitted to the Academic Audit Committee for approval and presented to the appropriate deliberative committees. Action plan tracked through appropriate deliberative committees and monitored by the Academic Audit Committee

Appendix A

Audit Schedule

The below checklist notes the key stages for audit and provides indicative timescales. These are subject to change and dependent on the scheduled dates of committees.

No.	Item	Indicative Timescale
1	Terms of Reference approved	- 10 weeks
2	Pre-audit meeting between Auditors and Team Leader	- 8 weeks
3	Documentation provided to Manager, Quality, Audit & Review	- 6 weeks
4	Audit Schedule detailing meetings and any additional documents required, provided to Manager, Quality, Audit & Review	- 4 weeks
5	Audit Agenda & list confirming provision of documents/audit trails, provided to Manager, Quality, Audit & Review	-2 weeks
6	Audit Event	
7	Draft Audit Report provided to Manager, Quality, Audit & Review	+ 2 weeks
8	Team Leader reviews report for factual accuracy	+ 4 weeks
9	Final Audit Report provided to Manager, Quality, Audit & Review	+ 5 weeks
10	Initial Action Plan based on report recommendations provided to MQ	+ 7 weeks
11	Papers disseminated to Academic Audit Committee (AAC)	+ 9 weeks
12	AAC Meeting reviews audit report & action plan	+ 10 weeks
13	Action Plan progress update provided to Manager, Quality, Audit & Review	+ 25 weeks
14	AAC review of progress and sign off or recommend further action	+ 25 weeks