BOARD OF MANAGEMENT
Audit & Risk Committee

Tuesday 12 May 2020 at 5.00pm
Microsoft Teams Meeting

AGENDA

1. **WELCOME**

2. **APOLOGIES**

3. **DECLARATIONS OF INTEREST**

4. **MINUTE OF PREVIOUS MEETING** – 26 November 2019   Paper A for approval

5. **MATTERS ARISING**   Paper B for approval

6. **STRATEGIC RISK REGISTER & COVID 19 RISK REGISTER**   Paper C for approval   ST

7. **INTERNAL AUDIT**

7.1 Staff Recruitment and Retention	Paper D for approval	HL
7.2 HR / Payroll	Paper E for approval	HL
7.3 Procurement and Creditors / Purchasing	Paper F for approval	HL
7.4 IT Network Arrangement / IT Strategy	Paper G for approval	HL
7.5 Progress Report	Paper H for approval	HL
7.6 Audit Plan 2020/21	Verbal update	JC
7.7 Follow-up Summary	Paper I for information	JC

8. **EXTERNAL AUDIT PLAN**   Paper J for approval   AS

9. **POLICY UPDATES**

9.1 Business Continuity	Paper K for approval	JC
9.2 Gifts and Hospitality	Paper L for approval	JC
9.3 Fraud, Bribery & Corruption	Verbal update	JC

10. **DATA BREACH REPORTING**   Verbal update   JC

11. **INTERNAL AUDIT CONTRACT AWARD**   Verbal update   JC

12. **DATE OF NEXT MEETING** - Tuesday 22 September 2020, 5.00pm Kingsway Campus.

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 12 May 2020

Minute of Last Meeting – 26 November 2019   **PAPER B**

BOARD OF MANAGEMENT
Audit and Risk Committee Meeting
Tuesday 26 November 2019

Draft confirmed by Chair

Minute of the Audit & Risk Committee meeting held on Tuesday 26 November 2019 at 4.30pm in Y150, Board Room, Gardyne Campus.

PRESENT:	G Robertson (Chair Audit)	M Williamson	
	H Honeyman	K Keay	
	M Thomson		
IN ATTENDANCE:	J Carnegie (Vice Principal)	T D'All (Principal's/Board Chair PA)	
	S Taylor (Vice Principal)	C Watson (ESRC Research Project)	
	A Kerr (Audit Scotland)	A Ireland (ESRC Research Project)	
	R Smith (Audit Scotland)		
	D Archibald (Henderson Loggie)		

1. **WELCOME**
   G Robertson welcomed members of the Audit Committee.

   It was confirmed that an independent meeting with audit representatives had been held directly prior to the meeting.

2. **APOLOGIES**
   Apologies were received from P Milne & T Pirie

3. **DECLARATIONS OF INTEREST**
   G Robertson noted his role as Chair of the Board for Gardyne Theatre Limited. There were no other declarations of interest.

4. **ESRC RESEACH PROJECT – INFORMED CONSENT**
   Board Members and those in attendance at meetings have completed the ESRC Consent Forms.

5. **MINUTE OF AUDIT & RISK COMMITTEES – 17 SEPTEMBER 2019**
   The minutes of the Audit Committees meetings held on 17 September 2019 were approved as a correct record.

   5.1 **Matters Arising**
   J Carnegie gave a brief explanation of the new reporting process developed to update the Committee on Matters Arising and how this will be reported at each meeting.

   J Carnegie confirmed that all Matters Arising from the Committee meeting on 17 September 2019 had been completed with the exception of item 11.1 – *Evaluation of revised arrangements for allocation of Risk* which will not be completed until March 2020.

6. **STRATEGIC RISK REGISTER**

G Robertson asked S Taylor to take the Committee through the key changes to the amended Strategic Risk Register. S Taylor highlighted the changes to Risk 3.3. in-line with discussions the last Audit & Risk Committee meeting and Risk 3.11 created around the new promoted staff structure.

S Taylor noted that there had been no further information for Scottish Government, since the last meeting, in relation to Brexit.

The Strategic Risk Register was approved.

7. **DRAFT AUDIT COMMITTEE REPORT TO BOARD**

The Committee noted that they were satisfied with the content of the report and agreed the circulation to the Board on 11 December 2019.

8. **INTERNAL AUDIT REPORTS**

8.1 **Student Activity**

D Archibald summarised the report on student activity (credits) highlighting that this was a prescribed audit to fulfil SFC requirements. D Archibald noted two areas for adjustment during testing and confirmed these were minor and due to human error. D Archibald confirmed the "clean opinion" to SFC.

The Committee welcomed the report and the positive comment on the work undertaken to achieve the 'clean' outcome. The report was approved.

8.2 **Student Funding**

D Archibald summarised the audit report on student support funds, confirming that this conformed to SFC requirements in relation to the range of funds identified. D Archibald indicated that there had been two errors in relation to student eligibility and an over claim both of which had been corrected.

J Carnegie noted the huge amount work undertaken over a number of weeks to complete these reports which was echoed by D Archibald. The Committee asked that their thanks be passed on to all involved. **S Taylor to progress.**

The report was approved.

8.3 **Audit & Risk Follow-Up Summary**

J Carnegie explained the revised report format, which will be presented at each Committee meeting, giving a clearer oversight of completed actions and those outstanding or partially completed.

J Carnegie confirmed that where deadlines had been changed these would also be included. It was agreed that K Keay suggestion of the addition of Red, Amber, and Green would be incorporated in the report. **J Carnegie to Action**

J Carnegie noted that an update would be provided at each Committee on the progress of the Catering Business Review as well as a Fraud update.

In relation to Audit Area Report 2017/07/R2 – CRM System – J Carnegie gave a brief summary of the planned revised approach to this. J Carnegie stated that the College had looked at two CRM systems and that a third would be considered in the coming days. However, due to cost (between £50,000 – £100,000), college priorities and procurement the new proposed deadline of March 2020 will not be met. The Committee

agreed after discussion that while there was no Risk associated with this and that the Action should be removed from the Report.

H Honeyman asked that in relation to 2018/04/R1 – Data Protection – that going forward attempts are made to encrypt papers to Board of Management members where sensitive information is contained within. The Committee agreed that this should be investigated. **S Taylor to progress.**

S Taylor confirmed that Action 2018/05/R1 Duty of Care (PREVENT) – was awaiting final approval via the Policy Review Group.

In relation to Action 2019/05/R3 – Duty of Care (Corporate Parenting and Safe Guarding) which was reviewed and not progressed. The Committee agreed, after discussion, that the potential need for information on safeguarding matters go back to the Human Resource & Development Committee for further discussion. **S Taylor to progress.**

9.0 DATA BREACH REPORTING

J Carnegie confirm there were no reportable Data Breaches.

10. DATE OF NEXT MEETING

The next Audit & Risk Committee meeting was confirmed as: **Tuesday 3 March 2020 at 5.00pm in A214, Kingsway Campus.**

Action Point Summary

Action	Responsibility	Date
Thanks to be passed to staff involved in achieving positive Student Funding and Credit audit outcomes	S Taylor	6 December 2019
Updates to follow-up report format to be made	J Carnegie	3 March 2020
Consideration to be given to encryption of Board papers.	S Taylor	11 December 2019
Duty of Care (Safeguarding) action to be discussed at HR Committee	S Taylor	20 February 2020

BOARD OF MANAGEMENT
Joint Audit and Risk/Finance and Property Committee Meeting
Tuesday 26 November 2019

Draft confirmed by Chair

Minute of the Joint Audit and Finance & Property Committee meeting held on Tuesday 26 November 2019 at 5.20pm in Y150, Board Room, Gardyne Campus.

PRESENT: G Robertson (Chair Audit)   Steven Mill (Chair Finance & Property)
                    H Honeyman   M Williamson
                    M Thomson   K Keay
                    G Bisset   A McCusker
                    D Fordyce   B Carmichael
                    D Mackenzie   G Ritchie

IN ATTENDANCE: J Carnegie (Vice Principal)   T D'All (Principal's/Board Chair PA)
                    S Taylor (Vice Principal)   C Watson (ESRC Research Project)
                    A Kerr (Audit Scotland)   A Ireland (ESRC Research Project)
                    D Archibald (Henderson Loggie)   R Smith (Audit Scotland)
                    S Hewitt (Vice Principal)   B Ferguson (Head of Finance)

1.   WELCOME
G Robertson welcomed members of the Finance and Property Committee to the joint meeting.

2.   APOLOGIE
Apologies were received from P Milne, T Pirie, B Grace, S Stirling and N Lowden

3.   DECLARATIONS OF INTEREST
G Robertson noted his role as Chair of the Board for Gardyne Theatre Limited. There were no other declarations of interest.

4.   FINANCIAL STATEMENTS AND ACCOUNTS

4.1   ANNUAL REPORT ON AUDIT (HENDERSON LOGGIE)
D Archibald delivered a summary of the year's work including a summary of the individual reports noting that the Audit Plan had been delivered intact. There were no significant issues identifying major control weaknesses noted from the internal audit work carried out during the year. The overall Opinion was positive with effective arrangements for risk management control and governance.

S Mill noted that the College had received accreditation for Cyber Security and was currently working on Cyber Essentials plus.

J Carnegie confirmed that regular reports will be prepared for the Audit & Risk Committee on the progress of the Catering Business Review. A recent initial information session for all staff academic and support was well attended.

A McCusker noted her pleasure at a fantastic report with G Robertson thanking Henderson Loggie.

A McCusker said that this was an excellent Audit Report and congratulated all involved.

The report was approved.

4.2   Covering Letter (Audit Scotland)
A Kerr talked through the Covering Letter confirming work completed indicating a complete unqualified opinion for the Board of Management on 11 December 2019.

4.3   Audit Scotland Annual Report
A Kerr highlighted the Key Message of the Annual Report:

- Financial sustainability – findings replicated across the sector
- Improved quality of estates – 5-year estates strategy approved by the BOM
- Effective governance – the College conducts its business in an open & transparent manner
- Value for money
- Performance has improved

A Kerr also noted that the College has addressed the conditions in the Scotland's College 2019 report published by Audit Scotland in June 2019.

A Kerr noted Exhibit 3 of the Report highlighting:

- Depreciation adjustment where College staff alerted Audit Scotland to an input error on the calculation of annual depreciation charge on land and building.
- D & A Foundation, as part of the audit, it was concluded that the College is not in a position to exert significant influence over Dundee and Angus Foundation.
- Clawback of ESF payment – the College was in discussion with the SFC and is confident that this can be substantially reduced.

The Committee noted the fantastic job done by all involved in such a positive Report. The Report was approved for submission to the Board. **J Carnegie to progress.**

4.4   Financial Statement for the year ended 31 July 2019
J Carnegie noted the key points within the Governance Statement including, as noted in the Audit Scotland Report, the excellent financial position with an underlying surplus of £2.2m; the improved Governance Statement and the strong Cash position.

Comments from Committee members included the suggestion of consistency when referring to FTs and Head Count in the commentary along with more visual elements/infographics to enhance the report.

The Financial Statement for the year ended 31 July 2019 were approved for submission to the Board of Management meeting on 11 December 2019. **J Carnegie to progress.**

5.   DATE OF NEXT MEETING
The next Joint Audit and Finance & Property Committee meeting would be confirmed within the 2019/20 Board meetings schedule.

Action Point Summary

Action	Responsibility	Date
Submission of final external audit and financial statements papers to the Board of Management for approval.	J Carnegie	11 December 2019

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 12 May 2020

Matters Arising

PAPER B

BOARD OF MANAGEMENT

Audit & Risk Committee
12 May 2020

Matters Arising

Paper for information

The following actions were noted from the Tuesday 26 November 2019 Audit & Risk Committee meeting.

Agenda Item No	Action	Current status	Open / closed
4.4	Submission of final external audit and financial statements papers to the Board of Management for approval. **J Carnegie**	The statutory accounts and reports were approved by the Board on 11 December 2019	Closed
8.2	Thanks to be passed to staff involved in achieving positive Student Funding and Credit audit outcomes **S Taylor**		Closed
8.3	Updates to follow-up report format to be made **J Carnegie**	The follow-up report has been updated to include a Red/Amber/Green status	Closed
8.3	Consideration to be given to encryption of Board papers. S **Taylor**	Discussed with Board Chair, risk/need for encryption considered as minimal as papers are published/ publically available	Closed
8.3	Duty of Care (Safeguarding) action to be discussed at HR Committee **S Taylor**	HRD meeting cancelled. Carried forward to next meeting.	Open

The following actions were transferred to the Audit & Risk Committee from the Board meeting of Tuesday 24 September 2019.

Agenda Item No	Action	Current status	Open / closed
11.1	Evaluation of revised arrangements for allocation of Risks – G Robertson (March 2020)	This will be evaluated once a cycle of meetings has been completed and risks considered by each Committee.	Open

Author & Executive Sponsor: Jaki Carnegie, Vice Principal – Corporate Services

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 12 May 2020

**Strategic Risk Register &
COVID-19 Risk Register**   **PAPER C**

BOARD OF MANAGEMENT

Audit and Risk Committee

Tuesday 12 May 2020

Strategic Risk Register Update

Paper for approval

1. Strategic Risk Register

A copy of the April 2020 draft Strategic Risk Register is enclosed. No changes have been made to the substantive Strategic Risk Register since this was last approved.

Given the current COVID 19 pandemic, an additional temporary COVID 19 Strategic Risk Register has been developed to record the additional risks, mitigating actions and monitoring associated with identified areas of College operation at the current time.

This Risk Register has been included within the risk reporting to individual Board Committees and has been discussed with the Chairs Committee. Changes proposed by the Chairs Committee have been incorporated within the enclosed draft.

2. Managing COVID 19 Risks

In addition to the additional risk register, the Chairs Committee received a detailed update on the Business Continuity activities surrounding the current COVID 19 pandemic arrangements and an initial draft Recovery Plan. This plan outlines the key actions needed to address a number of the key strategic and operational activities that address the risk areas identified.

Work on the Recovery Plan will continue (and will develop as the situation progresses) with this scheduled to be reported to the full Board meeting in June 2020.

3. Managing Cyber Incident Risks

Alongside the current COVID 19 business continuity response, activities have continued to progress in respect of mitigating and removing the impact of the cyber incident of 31 January 2020.

This work has progressed well, with a series of workstreams taking responsibility for the key areas of activity (and resultant risk) needed to support the return to normal operations.

All of the cyber incident workstreams have completed their work and important requirements in terms of impact on the responsibilities of the Audit and Risk Committee have been signed off by the Cyber Incident Business Continuity group (or subsumed within the activities being progressed in respect of COVID 19). This includes confirmation that all business critical documentation (such as lease agreements, contracts, visa documentation, and quality compliance documents) has been recovered or recreated where necessary.

Discussions have taken place in respect of 2019/20 external audit requirements to ensure that any risks associated with the loss of supporting documentation for audit purposes are mitigated.

The recommendations arising from the report into the cyber incident are included within the audit follow up report.

4. Approvals

In respect of the above information approval for the following actions is sought.

- Approval of the Strategic and additional Risk Registers

5. Information

Further information in respect of Governance matters is available for Board members by contacting Steve Taylor, Vice Principal People & Performance, s.taylor@dundeeandangus.ac.uk.

Author and Executive Sponsor: Steve Taylor, Vice Principal People and Performance

STRATEGIC RISK REGISTER

2019 - 2020

As at April 2020

Post Holders						Score	Impact	Likelihood
	ELT	Executive Leadership Team		Prin	Principal	1	Routine	Remote
	SLT	Senior Leadership Team		DirC&A	Directors of Curriculum & Attainment	2	Minor	Unlikely
	Board	Board of Management		HoICT	Head of ICT	3	Significant	Possible
	VPP&P	Vice Principal People & Performance		HoE	Head of Estates	4	Major	Probable
	VPCS	Vice Principal Corporate Services		Chair	Chair of the Board of Management	5	Critical	Very Likely
	VPCA	Vice Principal Curriculum & Attainment						

Risk Number & Committee	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
	POTENTIAL CONTRIBUTING FACTORS				**TREATMENT**				**POST MITIGATION EVALUATION**	
1 **Strategic and Structural**										
1.1 **LT&Q**	Failure of College strategy to meet the needs of the D&A Region and/or national priorities (eg Employability, DYW, attainment, articulation)	4	4	16	• Robust strategic planning • Effective environmental scanning • Strong partnerships • Clear links between strategy and practice • Concerted demands for increased activity levels	4	1	4	• Robust monitoring via ROA • Clear performance metrics • Amendment of strategic direction/ plans • Rolling curriculum review	Prin & Chair
1.2 **Board**	College may be disadvantaged by changes to either UK or Scottish Government policies	4	3	12	• Effective environmental scanning • Negotiation/influence at national level	4	2	8	• Review of changes and amendment of strategic direction/plans • Financial strategy sensitivities	Prin & Chair
1.3 **Board**	College disadvantaged by changes arising from UK leaving European Union	5	4	20	• Negotiation/influence at national level • Review of activities/ projects • Responsiveness to new opportunities	5	3	15	• Review of changes and amendment of strategic direction/plans/ curriculum • Financial strategy ESF sensitivity • Workforce planning • International strategy & planning	Prin

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Green (1-8) = Minor Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk

Post Holders						Score	Impact	Likelihood
	ELT	Executive Leadership Team	Prin	Principal		1	Routine	Remote
	SLT	Senior Leadership Team	DirC&A	Directors of Curriculum & Attainment		2	Minor	Unlikely
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Risk Number & Committee	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
	POTENTIAL CONTRIBUTING FACTORS				**TREATMENT**				**POST MITIGATION EVALUATION**	
1 **Strategic and Structural**										
1.4 **Board**	Difficulties or over commitment arising within large scale/national College led initiatives or projects impact negatively on: • Ability of the College to meet key regional strategies/objectives • Financial loss or unmanageable financial risk • Reputational loss	4	3	12	• Effective project/activity management in place • Clear governance structures • Project/initiative finances clearly incorporated within College financial strategy and plans • End of project and exit/contingency planning	3	2	6	• Regular project updates at Executive/Board level • Monitoring of project activities, plans and outcomes • Budget reporting and management	Principal, VPC&A

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Post Holders	ELT	Executive Leadership Team	Prin	Principal	Score	Impact	Likelihood
	SLT	Senior Leadership Team	DirC&A	Directors of Curriculum & Attainment	1	Routine	Remote
	Board	Board of Management	HoICT	Head of ICT	2	Minor	Unlikely
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	VPCA	Vice Principal Curriculum & Attainment			5	Critical	Very Likely

Risk Number & Committee	Risks	POTENTIAL CONTRIBUTING FACTORS			TREATMENT				POST MITIGATION EVALUATION			Responsibility
		Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring			
2 Financial												
2.1 **F&P**	Change in SFC Funding Methodology and Allocation – Reduction in Funding	3	3	9	• Negotiation/influence at national level • Contingency plans for reduced funding	2	3	6	• Advance modelling of new funding methodologies and allocations • Monitoring impact of changes • Amendment of strategic or operational direction/plans • Financial strategy sensitivities			VPCS
2.2 **F&P**	Failure to achieve institutional sustainability	5	4	20	• Protection of funding through dialogue with SFC • Robust annual budget-setting and multi-year financial strategic planning • Effective budgetary control • Where required, swift action to implement savings	4	3	12	• Monthly monitoring of budgets • Regular review of financial strategy and non-core income sensitivity • Detailed monitoring of savings programmes			VPCS
2.3 **F&P**	National outcomes on salaries and conditions of service outstrip ability to pay	4	4	16	• Influence within Employers Association • Management of staffing expenditures	4	3	12	• Expenditure modelling • On-going discussions with staff • Financial strategy sensitivities • Workforce planning			VPP&P, VPCS

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	VPCA	Vice Principal Curriculum & Attainment						

Risk Number & Committee	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
	POTENTIAL CONTRIBUTING FACTORS				**TREATMENT**	**POST MITIGATION EVALUATION**				
2 **Financial (cont)**										
2.4 **A&R**	Financial Fraud	4	3	12	• Strong financial controls: segregation of duties and review of transactions. • Review of impact of any changes in structure or duties • Whistleblowing arrangements	3	2	6	• Continuous review of financial controls • Internal Audit programme	VPCS
2.5 **F&P**	D&A Foundation refuses/withholds funding for key College priorities	5	3	15	• On-going dialogue with Foundation Trustees • Appropriate bid arrangements in place	3	2	6	• Monitor and advise Board of Management	Prin & VPCS

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Green (1-8) = Minor Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk

Risk Number & Committee	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
POTENTIAL CONTRIBUTING FACTORS					**TREATMENT**				**POST MITIGATION EVALUATION**	
3 **People and Performance**										
3.1 **LT&Q**	Failure to reach aspirational standards in learning, teaching and service delivery	4	3	12	• Clear quality arrangements and priority actions • Continuous self-evaluation and action planning • Rigorous CPD arrangements in place • Regular classroom observation and learner feedback arrangements	3	2	6	• Comprehensive monitoring of key PIs and student/staff feedback • Regular Stop and Review events • External review and validation findings	VPC&A, VPP&P, DirC&A
3.2 **LT&Q**	Failure to achieve/maintain compliance arrangements, e.g. contracts; awarding bodies; audit.	4	3	12	• Robust strategic planning and monitoring • Effective environmental scanning • Strong partnerships • Clear links between strategy and practice • Concerted demands for increased activity levels	2	2	4	• Effective internal monitoring/review/verification arrangements • External review findings	VPP&P, VPC&A
3.3 **A&R**	Legal actions; serious accident; incident or civil/criminal breach	4	5	20	• Adherence to legislative and good practice requirements • Positive Union relations and staff communication • Effective management development programmes	3	2	6	• Monitoring and reporting in key areas – eg H&S, equalities, employee engagement • Continuous professional development • Internal audit programme • Staff surveys	Prin, VPP&P, VPCS, HoE

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Green (1-8) = Minor Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk

Post Holders								Score	Impact	Likelihood
	ELT	Executive Leadership Team		Prin	Principal			1	Routine	Remote
	SLT	Senior Leadership Team		DirC&A	Directors of Curriculum & Attainment			2	Minor	Unlikely
	Board	Board of Management		HoICT	Head of ICT			3	Significant	Possible
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	VPCA	Vice Principal Curriculum & Attainment								

Risk Number & Committee	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
	POTENTIAL CONTRIBUTING FACTORS				**TREATMENT**				**POST MITIGATION EVALUATION**	
3	**People and Performance (cont.)**									
3.4 **HR&D**	Failure to meet the aspirational standards in respect of the health, safety, wellbeing and development of staff and students	3	4	12	• Clear and proactive approaches to managing and promoting health, safety and wellbeing • Continuous self-evaluation and action planning • Rigorous CPD arrangements in place • Regular staff and learner feedback arrangements	3	2	6	• Regular employee engagement monitoring • Open communication with staff • Comprehensive monitoring of key PIs and student/staff feedback • Regular union/management dialogue	VPP&P, VPCS
3.5 **Board**	Reputational Risk – Loss of reputation with key stakeholders	4	3	12	• Marketing strategy • Reputation plan • Positive marketing approaches	4	2	8	• Stakeholder engagement • Social media monitoring arrangements	VPC&A, DirC&A
3.6 **HRD**	National bargaining outcomes impact adversely on College operations, activity and flexibility	4	4	16	• Influence within Employers Association • Management of bargaining outcomes and implementation	4	3	12	• Positive union relations and staff communication • On-going discussions with staff • Innovation in approaches	VPP&P, VPC&A

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Green (1-8) = Minor Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk

Post Holders						Score	Impact	Likelihood
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Risk Number & Committee	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
	POTENTIAL CONTRIBUTING FACTORS				**TREATMENT**	**POST MITIGATION EVALUATION**				
3 **People and Performance (cont.)**										
3.7 **HRD**	Industrial Relations Problems (including industrial action)	4	5	20	• Adherence to legislative and good practice requirements • Positive Union relations and staff communication • Effective management development programmes • Industrial action continuity planning	4	3	12	• Regular union/management dialogue • Regular employee engagement monitoring • Open communication with staff • Industrial action continuity planning	VPP&P
3.8 **A&R**	Breach of data security / data protection	5	4	20	• Effective management of GDPR compliance • Mandatory staff CPD and awareness raising on data protection (relative to role)	4	2	8	• Active data protection monitoring and auditing • Effective information and data security policies in operation • Regular data security monitoring/testing • GDPR Action Plan • Staff CPD	VPC&A, HoICT
3.9 **HRD**	Failure to meet Prevent and related obligations	5	3	15	• Prevent training • Staff awareness and contingency planning • Engagement/practice sharing with local agencies	5	1	5	• Business Continuity Plan including scenario testing • Information sharing with local agencies	VPC&A, VPP&P

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Green (1-8) = Minor Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk

		Post Holders		
ELT	Executive Leadership Team	Prin	Principal	
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Board	Board of Management	HoICT	Head of ICT	
VPP&P	Vice Principal People & Performance	HoE	Head of Estates	
VPCS	Vice Principal Corporate Services	Chair	Chair of the Board of Management	
VPCA	Vice Principal Curriculum & Attainment			

Score	Impact	Likelihood
1	Routine	Remote
2	Minor	Unlikely
3	Significant	Possible
4	Major	Probable
5	Critical	Very Likely

Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS				TREATMENT				POST MITIGATION EVALUATION		
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
3	**People and Performance (cont.)**									
3.10 **HRD**	College arrangements do not minimise risk associated with Modern Slavery	4	3	12	• Clear and compliant procurement arrangements and procedures • Staff identity checking arrangements and use of PVG.	4	1	4	• Annual procurement monitoring/reporting • Regular employee engagement monitoring • Open communication with staff	VPC&A, VPP&P
3.11 **HRD**	Difficulties with implementation of structural change leading to: • Loss of good, flexible and committed staff • Loss of critical staff during period of transition • ineffective post-restructure arrangements	4	3	15	• Effective planning and scheduling of change • Managed transitions/handovers • Implementation Plan • Contingency Planning • On-going focus on core business requirements	3	2	6	• Regular union/management dialogue • Monitoring of implementation plans • Performance measures/ reporting Open communication with staff	VPP&P VPC&A
3.12 **Board**	Unsuccessful or inappropriate recruitment to Principal role impacts negatively on College activities and /or outcomes	3	3	9	• Clear role requirement, expectations and specification • Effective recruitment and selection arrangements • Engagement of Board, Students, Staff and Stakeholders within the process	2	2	4	• Board and Board Chair reporting/oversight • Appropriate induction and development • Probationary arrangements • Performance measures	Board Chair

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Green (1-8) = Minor Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk

Post Holders						Score	Impact	Likelihood
	ELT	Executive Leadership Team	Prin	Principal		1	Routine	Remote
	SLT	Senior Leadership Team	DirC&A	Directors of Curriculum & Attainment		2	Minor	Unlikely
	Board	Board of Management	HoICT	Head of ICT		3	Significant	Possible
	VPP&P	Vice Principal People & Performance	HoE	Head of Estates		4	Major	Probable
	VPCS	Vice Principal Corporate Services	Chair	Chair of the Board of Management		5	Critical	Very Likely
	VPCA	Vice Principal Curriculum & Attainment						

Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS				TREATMENT				POST MITIGATION EVALUATION		Responsibility
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring		
4 Infrastructure											
4.1 A&R	Disasters – eg Fire, MIS Failure, Failure of Emergency Procedures	5	4	20	• Sound systems of administration • Clear fire and disaster recovery arrangements • Staff CPD	5	1	5	• Business Continuity Plan including scenario testing		Prin & VPCS
4.2 F&P	Failure to achieve ambitions of ICT strategy; strategy and development is ineffective	4	3	12	• Planning, careful phasing of changes to processes and systems • Effective management of ICT arrangements • Clear investment plan	4	2	8	• Regular review/reporting on milestones, systems effectiveness etc • Regular CPD		VPC&A, HoICT
4.3 A&R	Breach of ICT/Cyber security	4	3	12	• Effective management of ICT arrangements • Active ICT/data security monitoring and cyber security policy	4	2	8	• Staff CPD on cyber security issues • Regular security monitoring/testing • Cyber resilience plan		VPC&A, HoICT
4.4 A&R	ICT infrastructure fails to support effective data security / data protection	5	3	15	• Effective infrastructure and systems design and implementation • Effective management of ICT arrangements and GDPR compliance	4	2	8	• Active data protection monitoring and auditing • Effective information and data security policies in operation • Regular data security monitoring/testing		VPC&A, HoICT

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Green (1-8) = Minor Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk

STRATEGIC RISK REGISTER
COVID 19 SPECIFIC MITIGATIONS

2019 - 2020

As at April 2020

Post Holders				Score	Impact	Likelihood
ELT	Executive Leadership Team	Prin	Principal			
SLT	Senior Leadership Team	DirC&A	Directors of Curriculum & Attainment	1	Routine	Remote
Board	Board of Management	HoICT	Head of ICT	2	Minor	Unlikely
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Risk Number & Committee	Risks	Impact	Likelihood	Score	Additional COVID 19 Mitigation Actions	Impact	Likelihood	Score	Additional COVID 19 Monitoring	Lead Responsibility
	POTENTIAL CONTRIBUTING FACTORS				**TREATMENT**				**POST MITIGATION EVALUATION**	
1	**Strategic and Structural**									
1.1 **LT&Q**	Failure of College strategy to meet the needs of the D&A Region and/or national priorities (eg Employability, DYW, attainment, articulation)	4	4	16	• Regular strategic analysis and assessment of need for change • Strong engagement with government and key partners – influencing national priorities • Clear prioritisation of activities • Focus on core business	4	3	12	• Regular monitoring of recruitment, retention, ROA Outcomes and key strategic needs by SLT and reporting to Chairs • Amendment of strategic direction/ plans • Rolling curriculum, activity and priority review and implementation of new approaches/services where needed • Engagement with government and other partners	Prin & Chair
1.4 **Board**	Difficulties or over commitment arising within large scale/national College led initiatives or projects impact negatively on: • Ability of the College to meet key regional strategies/objectives • Financial loss or unmanageable financial risk • Reputational loss	4	3	12	• Clear prioritisation of activities • Effective project/activity management in place • Strong engagement with partners/funders • Clear governance structures • Project/initiative finances clearly understood and reviewed regularly • Project cessation, pausing or contingency planning in place	4	2	8	• Regular project updates at Executive/Board level • Monitoring of project activities, plans and outcomes • Budget reporting and management	Principal, VPC&A

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Green (1-8) = Minor Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk

Post Holders						Score	Impact	Likelihood
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VPCA	Vice Principal Curriculum & Attainment							

Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS				TREATMENT				POST MITIGATION EVALUATION			
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Responsibility
2 Financial										
2.2 **F&P**	Failure to achieve institutional sustainability	5	4	20	• Protection of funding through dialogue with government, SFC and other funders • Robust and effective budgetary control • Where required, swift action to implement savings • Increased focus on cash position	4	4	16	• Monthly monitoring of budgets • Engagement with government and other partners • Detailed monitoring of savings programmes	VPCS
2.4 **A&R**	Financial Fraud	4	3	12	• Revised financial controls: segregation of duties and review of transactions. • Review of impact of changes in ways of working, authorisation arrangements • Whistleblowing arrangements	3	3	9	• Continuous review of financial controls and revised arrangements	VPCS

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Green (1-8) = Minor Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk

Post Holders						Score	Impact	Likelihood
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Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS				TREATMENT				POST MITIGATION EVALUATION		Lead Responsibility
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring		
3 People and Performance											
3.1 LT&Q	Failure to reach aspirational standards in learning, teaching and service delivery	4	3	12	• Clear input and engagement with revised quality arrangements and priority actions • Rigorous CPD arrangements in place to support new ways of working • Regular learner feedback and engagement arrangements	3	3	9	• Comprehensive monitoring of engagement of learners in learning (where possible) • Engagement with revised quality arrangements • Outcome monitoring		VPC&A, VPP&P, DirC&A
3.2 LT&Q	Failure to achieve/maintain compliance arrangements, e.g. contracts; awarding bodies; audit.	4	3	12	• Engagement and communication strategy with compliance bodies • Clear input and engagement with revised quality arrangements and priority actions • Prioritisation of activities/outcomes	3	2	6	• Effective internal monitoring/review/verification arrangements • Engagement with revised quality arrangements • Outcome monitoring/recording		VPP&P, VPC&A

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Green (1-8) = Minor Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk

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Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS				TREATMENT				POST MITIGATION EVALUATION		
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
3 **People and Performance (cont.)**										
3.4 **HR&D**	Failure to meet the aspirational standards in respect of the health, safety, wellbeing and development of staff and students	3	4	12	• Clear and proactive approaches to supporting and promoting health, safety and wellbeing when WFH and/or on-site • Enhanced awareness of challenges/support needs • Extensive CPD arrangements in place – Home Working Hub • Regular staff and learner feedback arrangements	3	3	9	• Regular employee engagement monitoring • Maintaining and reporting on social distancing measures • Open communication with staff • Monitoring of formal and informal feedback – student and staff feedback • Regular union/management dialogue	VPP&P, VPCS
3.5 **Board**	Reputational Risk – Loss of reputation with key stakeholders	4	3	12	• Marketing strategy • Reputation plan • Positive marketing approaches	4	3	12	• Positive marketing plan • Regular stakeholder engagement • Social media engagement and monitoring arrangements	Prin DirC&A

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Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS				TREATMENT				POST MITIGATION EVALUATION		
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
3 People and Performance (cont.)										
3.7 HRD	Industrial Relations Problems (including industrial action)	4	5	20	• Adherence to legislative and good practice requirements • Positive Union relations and staff communication • Effective management engagement and support	4	3	12	• Regular union/management dialogue • Open communication with staff • Effective management engagement and support	VPP&P
3.8 A&R	Breach of data security / data protection	5	4	20	• Effective management of GDPR compliance • Additional awareness raising of WFH risks • Mandatory staff CPD and awareness raising on data protection (relative to role)	4	2	8	• Active data protection awareness raising • Effective information and data security policies in operation • Regular data security monitoring/testing • Staff CPD	VPC&A, HoICT

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Green (1-8) = Minor Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk

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		POTENTIAL CONTRIBUTING FACTORS				TREATMENT				POST MITIGATION EVALUATION			
Risk Number & Committee		Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring			Responsibility
4	Infrastructure												
4.3 A&R		Breach of ICT/Cyber security	4	3	12	• Effective management of ICT arrangements • Active ICT/data security monitoring and cyber security policy • Additional awareness raising of WFH risks and COVID related 'scams'	4	2	8	• Staff awareness raising/CPD on cyber security issues • Regular security monitoring/testing • Cyber resilience plan			VPC&A, HoICT

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 12 May 2020

INTERNAL AUDIT

Staff Recruitment and Retention   **PAPER D**

Dundee & Angus College
Staff Recruitment & Retention

Internal Audit Report No: 2020/02

Draft issued: **23 December 2019**

Final issued: **13 January 2020**

LEVEL OF ASSURANCE   **Satisfactory**

Now, for tomorrow

mha
HENDERSON LOGGIE

Contents

Level of Assurance

In addition to the grading of individual recommendations in the action plan, audit findings are assessed and graded on an overall basis to denote the level of assurance that can be taken from the report. Risk and materiality levels are considered in the assessment and grading process as well as the general quality of the procedures in place.

Gradings are defined as follows:

Good	System meets control objectives.
Satisfactory	System meets control objectives with some weaknesses present.
Requires improvement	System has weaknesses that could prevent it achieving control objectives.
Unacceptable	System cannot meet control objectives.

Action Grades

Priority 1	Issue subjecting the organisation to material risk and which requires to be brought to the attention of management and the Audit & Risk Committee.
Priority 2	Issue subjecting the organisation to significant risk and which should be addressed by management.
Priority 3	Matters subjecting the organisation to minor risk or which, if addressed, will enhance efficiency and effectiveness.

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Staff Recruitment & Retention

Management Summary

Overall Level of Assurance

Satisfactory	System meets control objectives with some weaknesses present

Risk Assessment

This review focused on the controls in place to mitigate the following risks on Dundee & Angus College's ('the College) Risk Register:

3.1   Failure to reach aspirational standards in learning, teaching and service delivery

3.4   Failure to meet aspirational standards in respect of health, safety, wellbeing and development of staff and students

Background

As part of the Internal Audit programme at the College for 2019/20 we carried out a review of the College's staff recruitment and retention arrangements. Our Audit Needs Assessment identified this as an area where risk can arise and where Internal Audit can assist in providing assurances to the Principal and the Audit & Risk Committee that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

While there is a clear requirement for the College to comply with all relevant legislation in how it recruits and retains its staff, there is also a need for it to ensure it has sufficient, adequately trained professional staff to meet both its operational needs and strategic objectives. In addition to this, the College should have adequate and robust policies in place to measure employee performance as well as to ensure the safety and wellbeing of its workforce.

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Staff Recruitment & Retention

Scope, Objectives and Overall Findings

The scope of this audit was to consider whether the College is making best use of its staff.

The table below notes the objectives for this review and records the results:

Objective	Findings				Actions already underway
The specific objectives of this audit were to obtain reasonable assurance that:		**1**	**2**	**3**	
1. **the recruitment process is efficient and effective and adheres to requirements regarding equality and diversity**	**Good**	0	0	0	
2. **the College has a systematic approach for ensuring that its staff resources are aligned to effectively deliver its commitments**	**Good**	0	0	0	
3. **there is a systematic approach for translating business objectives into actions / tasks for members of staff**	**Good**	0	0	0	
4. **appropriate succession planning arrangements are in place**	**Good**	0	0	0	
5. **the College's approach to training, including induction training, is clearly informed by an assessment of where there are skills / knowledge / performance gaps**	**Requires Improvement**	0	1	3	✓
6. **the College has a systematic approach to evaluating its training to ensure that it is achieving the desired impact**	**Satisfactory**	0	0	1	✓
7. **a systematic process is used for providing feedback to staff on performance and agreeing action to improve performance where necessary**	**Good**	0	0	0	
8. **senior managers systematically assess the state of morale, satisfaction and motivation of staff. Where problems with morale, satisfaction or motivation are identified, appropriate action is taken**	**Good**	0	0	0	
		0	**1**	**4**	
Overall Level of Assurance	**Satisfactory**	System meets control objectives with some weaknesses present			

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Staff Recruitment & Retention

Audit Approach

The Vice Principal (People & Performance) and the Head of People & Organisational Development were interviewed, and the College's policies, procedures and structure reviewed, to assess compliance with the above objectives and with extant employment legislation.

Summary of Main Findings

Strengths

- The College has a consistent and robust recruitment process in place which helps identify the best candidates available for each vacancy.

- The College has well established, up to date and adequate policies and procedures in place for Recruitment & Selection and Performance Improvement.

- A Workforce Plan is in place which helps the College ensure it has sufficient staff resources to meet its strategic and operational aims, objectives and targets. This is supported by effective staff and leadership development initiatives.

- The College has recently implemented an academic staff re-structure which resulted in the majority of senior teaching roles being filled by internal candidates.

- The College has a robust process for evaluating, and obtaining feedback on, all training received by employees and takes appropriate action in response to this feedback.

- The College has recently introduced a new Staff Development Review process which provides all members of staff, and their managers, with the opportunity to evaluate their training/development needs and plan how to meet those needs in the future.

- The College regularly asks it staff for feedback to assess their motivation, morale and job satisfaction as well as ensuring their wellbeing.

Weaknesses

- New employees do not always complete their mandatory induction training within the required timescales.

- Adequate checks are not performed to ensure all new starts have completed their mandatory induction training before their probationary period is signed-off

- There are inadequate assurances that all new academic staff are completing the new lecturer training packages before they commence the assessment of students.

- Under the current process followed for tracking mandatory refresher training, it is difficult to monitor whether this training is completed by all staff.

- The newly implemented Staff Development Review process has not been formally documented.

Acknowledgements

We would like to take this opportunity to thank the staff at the College who helped us during our audit visit.

mha
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Main Findings and Action Plan

Objective 1: the recruitment process is efficient and effective and adheres to requirements regarding equality and diversity

Dundee & Angus College have a Recruitment & Selection Policy, which was implemented in April 2017 and reviewed in August 2018. The Policy provides advice and guidance on the process which recruiting managers (and the People Team) should follow when carrying out recruitment activity, including; Statutory & Equality Requirements, Job Analysis, Obtaining Approval to Recruit, Job/Person Specification. Advertising the Post, Shortlisting Applicants, Selection Interviews, Post Selection Checks and Probation Periods.

Our discussions with members of the People Team established that the College uses a request to recruit template, which the hiring manager populates with details of the role and also justification for progressing the recruiting exercise. This request is approved by the relevant Vice Principal and the Principal before the vacancy is advertised.

The College uses the My Job Scotland website to advertise vacancies and to manage applications. This is consistent with other public sector bodies across Scotland. Applications received are assessed by the relevant hiring manager who also makes decisions on the interview shortlist. Interviews are performed by hiring managers, other relevant managers and a representative from the People Team. Performance at interview is assessed with a score out of five in each applicable area and the top scoring candidate is offered the post.

Offers of employment are sent to the preferred candidate and, once acceptance is received, all the relevant checks (references, PVG, right to work) are performed before the new member of staff starts. All preferred candidates are also asked to complete an Equal Opportunities Questionnaire.

An audit evaluation of the College's Recruitment & Selection Policy, as well as the above process, confirmed that the College's recruitment process appears to be efficient, effective and meets legal requirements on equality and diversity. We also performed audit testing on a sample of five vacancies advertised by the College since 1 January 2019. This testing established that, on all occasions, the College's recruitment and selection policies/procedures were correctly followed.

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Staff Recruitment & Retention

Objective 2: the College has a systematic approach for ensuring that its staff resources match what is required in order to deliver its commitments

The College has recently developed and implemented two initiatives to ensure that its staff resources continues to be aligned to the levels required to deliver its strategic and operational commitments.

Firstly, a Workforce Plan has been compiled for 2018/21, which sets out the College's strategy on the long-term focus of its workforce. The Plan shows an analysis of its current workforce, staff profile and turnover. It also examines the skills, training and development needs over the three year period of the Plan, as well as any recruitment and retention challenges identified. The Workforce Plan includes an action plan to address the challenges identified.

Secondly, during 2018, the decision was taken to review how the promoted academic structure was organised and to identify proposals for change. These changes were designed to improve the College's focus on learning and teaching; to simplify what were recognised as complex, diverse and stretched roles; and to make good use of additional specialised input to support the increasing range of national strategies and developments that (whilst necessary) detract from day-to-day business.

Consultation papers were compiled and presented to the Board in October 2018 and January 2019 showing the changes planned for implementation through to the summer of 2019. A timeline showing the recruitment of successful applicants to new roles through the first half of 2019 was also presented to the Board.

The promoted roles were advertised, and the majority were filled by internal candidates. The new structure has now been implemented for the 2019/20 academic year.

Therefore, we have concluded that, based on the information examined, the College does have a systematic approach to ensure that there are sufficient staff in place to deliver its commitments.

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Staff Recruitment & Retention

Objective 3: there is a systematic approach for translating business objectives into actions / tasks for members of staff

Discussions with the Head of People & Organisational Development established that the main tool used to translate the College's business objectives into actions and tasks for members of staff is the Leadership Excellence Framework.

The Framework is based on the College's values (as below) and how each value can be implemented within individual teams by leaders:

- Inspiration
- Innovation
- Respect
- Trust
- Success

Included in the Framework is a Strategic Priority Leadership Flow, which illustrates how strategic priorities connect to leadership priorities and also to operational plans and team actions. This Framework is used (together with the recruitment, job evaluation and Development Review processes) to translate the College's business objectives into the work performed by each employee.

Objective 4: appropriate succession planning arrangements are in place

The College's Workforce Plan 2018/21 has a section on succession planning which shows the actions being taken by the College in this area. These include using the new leader induction process; matrix working principles; and leadership development forum processes to ensure that senior managers have expanded their roles, carry additional responsibilities and share these with other managers. The College has also been working on several developmental initiatives (e.g. the Leadership Excellence Framework) which are supporting members of staff to work towards promoted posts. The success of such initiatives has been highlighted in the recent academic staff restructuring exercise, where nearly all promoted posts were secured by existing academic staff.

Our discussions with the Vice Principal, People & Performance and the Head of People and Organisational Development confirmed that they both have confidence that, in the event of any unexpected absence of senior and middle managers, other College staff would be able to cover their duties.

During the audit, we suggested that the College consider compiling formal documentation recording which key roles across the College had been identified and what action plan was in place for covering these roles in the event of unexpected absences or resignation. The Vice Principal, People & Performance explained that he considered that the resources and time required to compile such documentation would outweigh the benefits of doing so.

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Staff Recruitment & Retention

Objective 5: the College's approach to training, including induction training, is clearly informed by an assessment of where there are skills / knowledge / performance gaps

The College has a documented Staff Induction Policy and Staff Induction Process which set out the purpose of the induction process for new members of staff as well as the induction pathways available and how new starts should be made familiar with the College's values and principles.

Our discussions with members of the People Team established that all new starts are required to complete an induction process (including mandatory eLearning modules in Health & Safety, Fire Safety, GDPR and Equality & Diversity) which must be completed within six months of their start date. In addition to this, the awarding bodies (e.g. SQA, City & Guilds) also require that all new lecturers should complete the New Lecturer Induction Package training before they commence assessing students.

All induction training modules and packages are available on the College's corporate portal which also provides comprehensive information on the induction training process (including when each module should be completed). The portal also clearly shows which courses are required to be completed by support staff, academic staff or both.

The People Team run reports from all learning management systems used by the College showing which courses/modules have been completed by new starts. They utilise the data in these reports to compile and maintain a spreadsheet comparing the training completed to the training required for each new start employee. When they identify that a new start has not completed the required training, they send an email to the member of staff reminding them to complete the missed training as soon as possible. They follow this up in the following month and, if the non-compliance continues, they also contact the new start's line manager to inform them of the outstanding training. All managers should ensure that new starts have completed all their mandatory induction training before they sign off to confirm that they have passed their 6-month probation period.

Training matrixes are in place for employees, in all academic and support areas, which show the additional, job specific training required for each employee. These matrixes are also available on the portal for managers to view and to check which modules their staff are required to complete.

College employees are required to complete refresher training in key areas (e.g. Health & Safety, Data Protection) every two to three years and they are asked to complete such training based on the dates they previously completed the modules in each area.

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Staff Recruitment & Retention

Objective 5: the College's approach to training, including induction training, is clearly informed by an assessment of where there are skills / knowledge / performance gaps (Continued)			
Observation	**Risks**	**Recommendation**	**Management Response**
Discussions with members of the People Team established that new starts do not always receive specific induction training days prior to starting their normal duties. We performed audit testing on a sample of five new starts since January 2019 to establish whether they had completed their mandatory induction training, including the New Lecturer Induction Package, within the required timescales. Testing established that two of the new starts in the sample of five had not completed all of their mandatory induction training modules within the required timescales. These modules remain outstanding despite at least two reminders being sent to the new employee and their managers being notified of this non-compliance.	New starts are not always completing mandatory training in key compliance areas, such as Health & Safety and Data Protection, in a timely manner. As a result, the College may be failing to provide adequate training to its employees to ensure compliance with the Health & Safety at Work Act 1974 and the General Data Protection Regulations (GDPR).	**R1** Consideration should be given to the introduction of a protected day (preferably during their first week for each new start) which is set aside for progressing induction training before commencing relevant duties. This day should be utilised to commence the mandatory induction modules/training required.	Need for protected time to be reinforced with line managers. New arrangements to adjust access to College resources through network accounts to be developed to allow earlier (pre-appointment) access to on-line learning materials**.** **To be actioned by:** Head of People and OD **No later than:** 30 September 2020

Grade — 3

Staff Recruitment & Retention

Objective 5: the College's approach to training, including induction training, is clearly informed by an assessment of where there are skills / knowledge / performance gaps (Continued)			
Observation	**Risks**	**Recommendation**	**Management Response**
During our discussions, we established that not all new academic staff are completing the New Lecturer Induction Package before they commence teaching and assessing students. Our testing identified that, from a sample of 30 new academic staff who had commenced employment with the College since August 2019, 24 (80%) did not complete this training before they commenced teaching and potentially assessing students. Of these, 12 have still not fully completed the New Lecturer Induction Package training.	If new lecturers do not complete their New Lecturer Induction Package before they commence summative assessment, the College may be failing to comply with the awarding bodies' requirements.	**R2** All new academic staff, who have no previous teaching experience, should complete the New Lecturer Induction Training Package before they commence teaching and assessing students. Academic managers should check with HR/OD that this training package has been completed before they allow the new member of staff to commence teaching and assessing students.	Requirement to be established and reinforced with line managers. New arrangements to adjust access to College resources through network accounts to be developed to allow earlier (pre-appointment) access to on-line learning materials. **To be actioned by:** Head of People and OD **No later than:** 30 September 2020
			Grade 2

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HENDERSON LOGGIE

Staff Recruitment & Retention

Objective 5: the College's approach to training, including induction training, is clearly informed by an assessment of where there are skills / knowledge / performance gaps (Continued)			
Observation	**Risks**	**Recommendation**	**Management Response**
We established that the College requires that all mandatory induction training must be completed before the end of the new start's six month probation period. However, while managers may ask the new member of staff whether they have completed all their induction training, no check is currently made to confirm this is the case before the manager signs off that the employee has passed their probation.	New starts may be passing their probation period even if they have not fully completed their mandatory induction training.	**R3** When HR/OD send the completion of probation papers to managers, they should include details of all mandatory induction training completed (and not completed) by the new member of staff. Managers should not sign-off completion of probation periods until they have received confirmation that the new member of staff has completed all the mandatory training for the relevant role.	New arrangements developed. These will be implemented for all staff within their probationary period. **To be actioned by:** Head of People and OD **No later than:** 31 January 2020
			Grade 3

mha
HENDERSON LOGGIE

Staff Recruitment & Retention

Objective 5: the College's approach to training, including induction training, is clearly informed by an assessment of where there are skills / knowledge / performance gaps (continued)			
Observation	**Risks**	**Recommendation**	**Management Response**
Our discussions with the Head of People & Organisational Development established that the current process - whereby each employee completes their refresher training based on the date they previously completed similar training - makes it more difficult to effectively monitor completion rates. Therefore, the College is planning to move to a system whereby all employees complete refresher training on specific subject areas at the same time.	Employees may be unaware that they are due to complete mandatory refresher training and as a result, completion rates may not be monitored accurately.	**R4** Create and implement a programme of mandatory refresher training campaigns for all staff which is subject based (e.g. Health & Safety, Data Protection, Equality & Diversity) together with a process for monitoring and reporting completion rates for these campaigns.	New arrangements developed. These will be implemented from the start of academic year 2020/21. **To be actioned by:** Head of People and OD **No later than:** 31 August 2020
			Grade / **3**

mha
HENDERSON LOGGIE

Staff Recruitment & Retention

Objective 6: the College has a systematic approach to evaluating its training to ensure that it is achieving the desired impact

The College evaluates the training it provides to staff on an ongoing basis by requesting feedback from delegates after all training events/courses. This feedback is analysed to amend/improve future training events and to ensure that they remain suitable for the needs of their employees.

An example of this approach is the Work Smart programme which the College ran in 2018/19. This was a programme which was initiated following feedback received from Leadership Development Forum managers and centred on better management of Outlook, emails, diaries and managers' time. The initial sessions were attended by a range of leaders, including Senior Leadership Team members, department heads, support & academic managers and team leaders from a range of teams. Feedback received from these sessions allowed the College to identify new techniques and to roll these out to the wider staff group.

The Organisational Development Lead also monitors the induction, job specific and refresher training provided to all staff to ensure completion and ongoing appropriateness.

Another way in which the College ensures the training it provides to employees is suitable is through the new Development Review process. This process recommends everyday conversations between managers and their staff, supplemented by monthly one to one meetings. The process is supported by an annual review, during which members of staff are encouraged to look back at their achievements over the previous 12 months, and also to look forward to potential achievements, areas of development and/or improvement over the forthcoming 12 months. This process is also used for employees and managers to identify any specific training needs and to consider how these can be met.

The results of this review are recorded in a template Development Review document which has been provided to all managers. Copies of all relevant templates are made available to managers via the College's Portal.

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Staff Recruitment & Retention

Objective 6: the College has a systematic approach to evaluating its training to ensure that it is achieving the desired impact (continued)			
Observation	**Risks**	**Recommendation**	**Management Response**
While the new Development Review process has been introduced across the College, the process has not been formally documented.	Without formal documentation of the process, there may be a lack of understanding regarding how the process works (particularly in the event of any unexpected absences of members of the People Team).	**R5**　The new Development Review process should be formally documented (using the College's current process for documenting and reviewing policies/procedures) and a copy of this procedural document should be made available to all staff via the College's Portal.	Process documentation completed. **To be actioned by:** Head of People and OD **No later than:** 31 January 2020
			Grade　　　　**3**

Staff Recruitment & Retention

Objective 7: a systematic process is used for providing feedback to staff on performance and agreeing action to improve performance where necessary

The College has a Staff Performance Improvement Policy, which was implemented in August 2018 after consultation with recognised trade unions. The purpose of this policy is to encourage and assist employees to meet the required standard of performance for the job in which they are employed. It seeks to ensure consistent and fair treatment for all, and to support any employee who may be considered to be experiencing difficulties in performing to a satisfactory level.

This Policy is supported by the College's Staff Performance Improvement Procedure, which sets out the operational process to be followed when an issue regarding employee performance arises. The Procedure sets out the responsibilities for employees, managers and the People Team (as well as the informal measures which can be taken to try and resolve such issues). The document also sets out the formal, three stage procedure as well as how appeals should be heard.

An evaluation of the above Policy and Procedure confirms that managers within the College do have adequate advice and guidance on how to provide feedback to staff on their performance and support to them on how to make improvements.

In addition to this, the College has a Disciplinary Policy and Procedure in place which provides managers with supplementary advice and guidance on the process to be followed to manage continued poor performance.

Staff Recruitment & Retention

Objective 8: senior managers systematically assess the state of morale, satisfaction and motivation of staff. Where problems with morale, satisfaction or motivation are identified, appropriate action is taken.

We established that the College undertakes a staff survey every two years. The most recent survey was undertaken in 2018 and the next one is scheduled for 2020.

The survey conducted in 2018 covered several topics and asked questions on Engagement, Happiness, Inspiration, Innovation, Trust, Respect and Success. The survey also contained free text areas on subjects such as the Academic Leadership Restructure, Communication and Wellbeing. During this audit we obtained a copy of the analysis performed on the results of this survey (including a comparison with the results of the survey performed in 2016) and benchmarking in key areas. A presentation on the survey results; what the figures showed; and a forward action plan was compiled.

Following a specific staff Wellbeing exercise, the College created a Wellbeing Action Plan, which will take effect from January 2020. This shows the College's commitment to support and improve the overall mental health, physical fitness and financial wellbeing of both staff and students and sets out a number of wellbeing priorities including:

- To further embed wellbeing into the College culture
- To reduce stigma around mental health within the College community
- To actively promote and develop the wide range of wellbeing services available to staff and students to help develop positive mental health
- To provide mental health and related training to raise awareness and improve understanding and to support and develop staff and student resilience
- Inspire and support more staff and students to think about their physical activity levels
- To provide a wide range of opportunities for staff and students to connect socially
- Provide relevant financial guidance and information and support to staff and students.

The audit concluded that the College does have effective processes in place to assess the morale, satisfaction and motivation of its staff.

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BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 12 May 2020

INTERNAL AUDIT

HR / Payroll   **PAPER E**

Dundee & Angus College

Payroll and HR

Internal Audit Report No: 2020/04

Draft issued:	**27 April 2020**
Final issued:	**29 April 2020**

LEVEL OF ASSURANCE   **Good**

Now, for tomorrow

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Contents

Level of Assurance

In addition to the grading of individual recommendations in the action plan, audit findings are assessed and graded on an overall basis to denote the level of assurance that can be taken from the report. Risk and materiality levels are considered in the assessment and grading process as well as the general quality of the procedures in place.

Gradings are defined as follows:

Good	System meets control objectives.
Satisfactory	System meets control objectives with some weaknesses present.
Requires improvement	System has weaknesses that could prevent it achieving control objectives.
Unacceptable	System cannot meet control objectives.

Action Grades

Priority 1	Issue subjecting the College to material risk and which requires to be brought to the attention of management and the Audit & Risk Committee.
Priority 2	Issue subjecting the College to significant risk and which should be addressed by management.
Priority 3	Matters subjecting the College to minor risk or which, if addressed, will enhance efficiency and effectiveness.

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Management Summary

Overall Level of Assurance

Good	System meets control objectives

Risk Assessment

This review focused on the controls in place to mitigate the following risk on the Dundee & Angus College ('the College') Risk Register:

- Risk 2.4 – Financial Fraud (risk rating: green = minor risk).

Background

As part of the Internal Audit programme at the College for 2019/20 we carried out a review of the College's payroll and the elements of the HR arrangements which relate to payroll. Our Audit Needs Assessment identified this as an area where risk can arise and where Internal Audit can assist in providing assurances to the Principal and the Audit & Risk Committee that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

In 2015 the College procured a system called iTrent and this went live in as the payroll system in November 2015. This is a system which is widely used by Colleges across Scotland. In early 2016, a number of interface issues had been identified around the flow of data between iTrent and the existing HR system, Hydrogen. A Project Team was assembled to review a business case and proposals, with representation from Finance, the People Team and ICT.

Following review of the options, the proposal was accepted to adopt iTrent as an integrated HR and Payroll solution. Following protracted negotiations with the supplier, a scoping exercise for the work required to adopt iTrent as the combined HR-Payroll system and workshops with Midland MHR began in May 2019. The output of the May 2019 workshops was completed by September 2019 and the next phase of workshops began in August 2019, with work almost complete as at March 2020. We have been advised, by the project lead, that it is expected that the work required for the People Team to use iTrent as the single HR system will be completed later in 2020 and this will allow the Phase 2 work to roll out manager and employee self-service options to commence.

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Scope, Objectives and Overall Findings

The scope of this audit was to consider the key internal controls in place over the College's spend on staff costs. Our audit covered the current procedures in place within both Finance and the People Team.

The table below notes the objectives for this review and records the results:

Objective	Findings			
The objectives of this audit were to obtain reasonable assurance that systems are sufficient to ensure:		**1**	**2**	**3**
1. Correct calculation of gross pay and deductions	**Good**	0	0	0
2. Correct calculation of employer national insurance and superannuation contributions	**Good**	0	0	0
3. Part-time lecturers, overtime and travel & subsistence payments are properly authorised	**Good**	0	0	0
4. Appropriate approval and checking of changes to employee standing data	**Good**	0	0	1
5. Starters and leavers are properly treated and enter and leave the system at the correct dates	**Good**	0	0	0
6. There is proper authorisation, processing and recording of payments	**Good**	0	0	0
		0	**0**	**1**
Overall Level of Assurance	**Good**	System meets control objectives		

Audit Approach

From discussion with People Team and Finance staff, and review of procedures documentation, we identified the key internal controls in place within the College's Human Resources / Payroll systems and compared these with expected controls.

Compliance testing was then be carried out to ensure that the controls in place are operating effectively, concentrating on starters, leavers and variations to pay.

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Payroll & HR

Summary of Main Findings

Strengths
- From our sample testing we confirmed that gross pay and deductions had been correctly calculated; and salaries, hourly rates and rates for deductions agreed to the standing data held in iTrent.
- From our sample testing we confirmed that employer national insurance and employer superannuation contributions had been correctly calculated;
- All part-time lecturers, overtime and travel payments tested had been correctly calculated and input into the iTrent system and were appropriately authorised in line with the College's procedures;
- All changes to employee standing data selected for testing had been appropriately made to the iTrent system and were independently checked and verified;
- Our sample of starters and leavers tested had entered and left the iTrent and hydrogen systems at the correct date with all details entered correctly;
- Variations to core pay were appropriately checked, authorised and supported by relevant documentation; and
- There was proper authorisation, processing and recording of payments.

Weaknesses
- We noted that although work to update the detailed procedural notes for Payroll had commenced this work had not been concluded. Given the small number of staff in the payroll team it is important that detailed procedural notes are available to guide any staff brought in to provide cover.

Acknowledgements

We would like to take this opportunity to thank the staff at the College who helped us during our audit visit.

mha
HENDERSON LOGGIE

Main Findings and Action Plan

Objective 1: Correct calculation of gross pay and deductions

We reviewed the systems and procedures in place for ensuring that staff on the payroll are paid the correct amounts, including controls over increases in pay grades, and that deductions are made at the correct rates, and confirmed that these were appropriate.

A sample of 20 employees was selected at random from the College payroll (including both academic and support staff) and the calculation of statutory deductions (PAYE and national insurance) were re-performed and checked for accuracy. As part of our audit testing gross pay was verified to annual salary rates within iTrent.

In addition, any non-statutory deductions within our sample were checked back to source documentation to ensure accuracy. The results of our testing in this area proved satisfactory.

Objective 2: Correct calculation of employer national insurance and superannuation contributions

The calculation of employer national insurance contributions for the 20 employees in the audit sample were re-performed and checked for accuracy. The results of our testing in this area proved satisfactory. A third-party reconciliation is carried out for pension deductions and also arrestments

Employees are now automatically opted into the Local Government Pension Scheme (LGPS) or the Scottish Public Pensions Agency (SPPA) and only contact the People Team if they want to opt out. For all employees with pension deductions within our sample we agreed that the LGPS or SPPA employer and employee contributions had been correctly calculated in line with the agreed contribution rates and noted no exceptions.

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Payroll & HR

Objective 3: Part-time lecturers, overtime and travel & subsistence payments are properly authorised

All contracted staff hours are pulled through from the CELCAT timetabling system and this also pulls through any details of additional hours worked. Software called Payclaimmanager allows claims to be submitted for developmental work; personal time spent at Principal's briefings and team meetings/ team developments.

For support staff with variable contracted hours and staff working hours additional to those stated in their contract of employment then these staff are required to submit manual claims. The College procedures require that a Support / Supply Claim Form is completed and signed off by the employee and authorised by their line manager. The authorised forms are then sent directly to Payroll for processing. This is undertaken using a spreadsheet which is uploaded into iTrent. A similar process is in place for processing travel and subsistence expenses with a standard "Claim for travelling and Subsistence Expenses " form in place which is signed off by the relevant line manager to signify that receipts have been agreed back to the claim form. Both of these manual processes for additional hours and expenses will be redundant once the move to self-service is complete.

Once the hours have been uploaded, then before the payroll is run a Temporary Input report is extracted. This is compared back to the source spreadsheet used to record the hours to ensure that the hours and the cost agree. Both the Payroll Officer and payroll assistant sign off on the form once the final checks are performed.

We selected a random sample of overtime payments made between August 2019 and January 2020 and confirmed that the correct rates were used, that the payments had been checked and authorised by the relevant line manager and by Payroll and that the correct amounts had been input for payment.

Objective 4: Appropriate approval and checking of changes to employee standing data

Prior to the adoption of iTrent as the integrated HR and Payroll system, a spreadsheet was utilised to record any changes in employee standing data and this was then passed to Payroll for input. However, this process has now been amended and at the time of our testing any changes requested to employee standing data were processed by HR staff. An exercise commenced in November 2019 to ensure that standing employee data was accurate. This exercise involved the staff lists being shared with the relevant Head of Sector. The inbuilt job title and hierarchical structure within iTrent allows alignment of employees, which assists in reporting.

At the time of our fieldwork only three employees within the People Team had the ability to amend the data on the iTrent system, the Head of people and Organisational Development, the People Advisor and the People Team Assistant. Only the Payroll Officer and Payroll Assistant have similar access and amendment rights on iTrent within the Payroll Team. Several other members of staff within Finance and IT have read only access to iTrent. We confirmed that none of the staff with change access rights have the ability to amend their own salary. Details of holidays and sickness absence are held on Hydrogen. However, Payroll still calculate any holiday pay entitlement.

Staff within Payroll upload any tax code changes provided by HMRC and apply any pay awards. The pay awards details are supplied by the Vice Principal People and Performance and new tables are applied for all of the various categories of staff across the College.

We were advised that the two staff employed within the Payroll Team routinely check each other's work. However, during our fieldwork the Payroll Officer was absent and was therefore not in a position to check the work of the Payroll Assistant. We were advised that steps had been taken to build resilience within the payroll team by developing another member of the Finance department but this was still at an early stage.

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Objective 4: Appropriate approval and checking of changes to employee standing data (Continued)			
Observation	**Risks**	**Recommendation**	**Management Response**
During our discussion with the Payroll Assistant it was apparent that specific elements of the payroll process were routinely completed by the Payroll Officer. One such task was the need to process the payroll journal to post the payroll costs against the relevant financial cost code. Although we were subsequently advised that a member of the Finance team was able to carry out this task this flagged up the need to update the current payroll procedures. We were advised that work to update the procedures had commenced when the pension rates changed but competing work pressures had prevented this work being completed. Therefore, there is currently no up to date Payroll Procedural Notes in place which would guide any individual brought in to provide cover within the Payroll Team.	Without detailed procedural notes to guide staff, who may be unfamiliar with the payroll timetable and routines, there is an increased risk of failure to complete specific tasks or to complete them in a way which is inconsistent with the routine methodology.	**R1** The Payroll Procedural Notes should be updated to provide a comprehensive guide for any member of staff brought in to cover for the Payroll Officer or Payroll Assistant.	Agreed. Procedural Notes will be updated as soon as capacity is available. **To be actioned by:** Head of Finance **No later than:** 31 August 2020
			Grade 3

Payroll & HR

Objective 5: Starters and leavers are properly treated and enter and leave the system at the correct dates

A standard 'new/replacement post request form' is in place and the details on these forms are recorded on a spreadsheet which is maintained in HR. All starters and levers are entered on to both iTrent and Hydrogen by the People Team Assistant. This spreadsheet list is also submitted to Payroll to allow a check to be conducted on the changes made to standing employee data. This system will be phased out during 2020 as the move to employee self-service is rolled out by the end of the calendar year. This will include the ability to complete expenses online rather than through the completion and submission of a manual expenses form. This self-service capability will be delivered via a new "electronic" version of iTrent, which is more app based.

A sample of 20 new starts was selected at random from a new start report generated from the iTrent system. The starters selected were successfully traced to their personnel file and contract of employment. We found that each new start had been entered on to the system at the appropriate date and in line with the contract start date entered on the starters checklist, with the exception of six new starts where the start date section on the checklist had been left blank and there was no other documentation available confirming the correct start date and one instance where the date on the starters checklist did not agree with the date input onto the payroll system. We discussed the blank entry issue with the People Team who advised that this checklist is a form completed by the employee and often in the case of variable/supply employees, the new employee will not know their start date at the time of completing the checklist. We also discussed the one instance where there was a mismatch between the start date on the checklist and the start date per iTrent and we obtained evidence to confirm that this was an error on the part of the employee in completing the checklist. We re-calculated the first pay for each new start and did not note any issues.

A sample of 20 leavers was selected at random from a leavers report generated from the iTrent system and each was successfully traced to their notice of termination. It was found that the leavers had been appropriately removed from the iTrent system in line with the last day of employment. We re-calculated the last pay for each leaver and did not note any issues.

Objective 6: There is proper authorisation, processing and recording of payments

Prior to processing monthly payroll payments, a variance analysis is carried out between the current month and prior month's payroll figures. Any differences are agreed back to source documentation, for example contractual changes or overtime / additional hours worked per authorised timesheets, to confirm they are valid. The payroll is then reviewed and authorised by the Head of Finance.

We reviewed the August 2019 to January 2020 payroll runs and for each month confirmed we that there was evidence to show that the above checks had been completed.

We reviewed the monthly payroll BACS runs for the period August 2019 to January 2020 and noted that in all instances the sign off sheet had been appropriately authorised by the Head of Finance and a member of the College Executive Team.

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BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 12 May 2020

INTERNAL AUDIT

Procurement and Creditors / Purchasing   PAPER F

Dundee and Angus College

Procurement and Creditors / Purchasing

Internal Audit Report No: 2020/05

Draft issued: 5 May 2020

Final issued: 5 May 2020

LEVEL OF ASSURANCE	Good

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Contents

Level of Assurance

In addition to the grading of individual recommendations in the action plan, audit findings are assessed and graded on an overall basis to denote the level of assurance that can be taken from the report. Risk and materiality levels are considered in the assessment and grading process as well as the general quality of the procedures in place.

Gradings are defined as follows:

Good	System meets control objectives.
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Requires improvement	System has weaknesses that could prevent it achieving control objectives.
Unacceptable	System cannot meet control objectives.

Action Grades

Priority 1	Issue subjecting the College to material risk and which requires to be brought to the attention of management and the Audit and Risk Committee.
Priority 2	Issue subjecting the College to significant risk and which should be addressed by management.
Priority 3	Matters subjecting the College to minor risk or which, if addressed, will enhance efficiency and effectiveness.

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Management Summary

Overall Level of Assurance

Good	System meets control objectives

Risk Assessment

This review focused on the controls in place to mitigate the following risks on the Dundee & Angus College's (the College's) Strategic Risk Register:

- Risk 2.6 – Financial fraud (post mitigation score 6 – green);
- Risk 3.2 - Failure to achieve/maintain compliance arrangements, e.g. contracts; awarding bodies; audit. (post mitigation score 4 - green);
- Risk 3.3 - Legal actions; serious accident; incident or civil/criminal breach (post mitigation score 6 - green); and
- Risk 3.10 - College arrangements do not minimise risk associated with Modern Slavery (post mitigation score 4 - green).

Background

As part of the Internal Audit programme at the College for 2019/20 we carried out a review of the College's procurement and creditors / purchasing arrangements. Our Audit Needs Assessment identified this as an area where risk can arise and where Internal Audit can assist in providing assurances to the Principal and the Audit and Risk Committee that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

Ensuring that there are robust procurement rules and procedures is important to ensure that the College is purchasing goods and services that represent best value while ensuring compliance with the Procurement Reform (Scotland) Act and related regulations. A full time Procurement Manager is located within the College who is employed by APUC (Advanced Procurement for Universities and Colleges), the procurement centre of excellence for the college and university sectors. The Procurement Manager reports to the Head of the Tayside Regional Procurement Team who is based within Abertay University. At the time of our fieldwork the Procurement Manager who had been in post for around 18 months was about to leave the College and the incoming Procurement Manager was completing a shadowing period before taking over as the appointed procurement lead.

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Purchasing and Creditors / Purchasing

Scope, Objectives and Overall Findings

This audit focussed on the systems of internal control in place for the ordering of goods and services and the payment of invoices. We also considered whether the procurement strategy which is followed and the procedures which are in place support the delivery of best value purchasing across the College in relation to non-pay spend, recognising that procurement legislation in Scotland has been significantly revised in recent years.

The table below notes each separate objective for this review and records the results:

Objective	Findings				
The specific objectives of this review were to obtain reasonable assurance that:		**1**	**2**	**3**	
		No. of Agreed Actions			**Action already in progress**
Procurement 1. The College's Procurement Policy, Strategy and procurement guidance are comprehensive, kept up-to-date and in line with the Procurement Reform (Scotland) Act 2014 ('the Act') and The Procurement (Scotland) Regulations 2016 ('the Regulations')	**Satisfactory**	0	0	1	✓
2. Procurement procedures ensure that: • areas of high spend across the College are monitored appropriately; • opportunities for pooling of expenditure are identified in order to achieve best value; and • collaborative procurements and frameworks available to the College are utilised where appropriate	**Good**	0	0	0	
3. The College's procurement guidance on quotes and tenders are being complied with	**Good**	0	0	0	
Purchasing / Creditors 4. Purchase orders are completed for relevant purchases and are approved by members of staff with sufficient delegated authority prior to issue to suppliers, with the risk of unauthorised and excessive expenditure being minimised	**Good**	0	0	0	
5. All payments are properly authorised, processed and recorded*	**Good**	0	0	0	
6. Appropriate controls are in place over the amendment of standing supplier data on the finance system	**Satisfactory**	0	0	1	
		0	**0**	**1**	
Overall Level of Assurance	**Good**	System meets control objectives			

* Only very limited testing was possible on this objective to the cyber-attack on the College.

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Audit Approach

From discussions with Procurement staff we established the procurement strategies, procedures and monitoring arrangements that are in place within the College. These were then evaluated to establish whether they followed recognised good practice. Specifically, we sought to establish whether the procurement procedures ensured that areas of high spend across the College were monitored appropriately, identifying opportunities for pooling of expenditure in order to achieve best value, and ensuring that joint purchasing arrangements available to the College were utilised where appropriate.

We also documented controls in place within the purchasing / payments system through interviews with Finance staff and also sought to establish whether the expected key controls were in place by reference to standard control risk assessment templates. Due to the cyber-attack perpetrated on the College, which took place during fieldwork we were unable to perform compliance testing to determine whether key controls were working effectively. Unfortunately the historic data from the P2P system was not retrievable after the attack and therefore it was not possible to select a sample of items of expenditure from the financial ledger and test these to ensure compliance with the College's Financial Regulations and Procedures.

Summary of Main Findings

Strengths
- There is a dedicated Procurement resource within the College, with additional support provided through the APUC regional set up;
- The College's Procurement Strategy, Procurement Policy, Contract Register, guidance and information are available on the intranet and the College website;
- The P2P system provides an automated system for requesting and authorising purchase orders with inbuilt segregation controls;
- Invoices require authorising by an appropriate member of staff in line with delegated authorities set by individual departments;
- Checks are undertaken by Finance staff processing items for payment on online banking or through payment transmission software, including ensuring that there is appropriate supporting documentation and agreeing the SUN report to the BACS payment listing; and
- Approvers on P2P, and users on the finance system SUN, online banking and payment transmission software were appropriate.

Weaknesses
- The current wording of the Procurement Strategy and Procurement Policy does not make reference to modern slavery although a risk on this topic is on the College's Strategic Risk Register; and
- The details of the person spoken to within a supplier, in order to corroborate bank account details, is not currently recorded.

Acknowledgment

We would like to take this opportunity to thank the staff at the College who helped us during the course of our audit visit.

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HENDERSON LOGGIE

Action Plan

Procurement
Objective 1: The College's Procurement Policy, Strategy and procurement guidance are comprehensive, kept up-to-date and in line with the Procurement Reform (Scotland) Act 2014 ('the Act') and The Procurement (Scotland) Regulations 2016 ('the Regulations')

The College has a dedicated procurement page on the College website. This contains links to the College's financial regulations and the Procurement Strategy. The procurement section also contains a link to the College's Contracts Register which is held on the APUC website and shows current contracts in place by commodity. The College also has a Procurement Policy and associated procedures which are designed to guide staff involved in procurement exercises. The defined procurement process is managed through a professional procurement team with access to competency-based training, skills development programmes and career development opportunities. An online Introduction to Procurement module has been developed to support all College staff to understand the legislative background and to enhance their knowledge of business processes and internal governance protocols.

The latest iteration of the Procurement Strategy makes specific reference to the Sustainable Procurement Duty, set out within the Act, which places a duty upon the College to give consideration to the environmental, social and economic issues relating to all regulated procurements and how benefits can be accrued for the College and the wider Tayside region. It also

A Register of Interest has been prepared for academic year 2019/20 and is available on the college website. This details the registrable interests of all members of the Executive Team and the Board of Management.

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Purchasing and Creditors / Purchasing

Objective 1: The College's Procurement Policy, Strategy and procurement guidance are comprehensive, kept up-to-date and in line with the Procurement Reform (Scotland) Act 2014 ('the Act') and The Procurement (Scotland) Regulations 2016 ('the Regulations') (Continued)

We reviewed the College's Procurement Strategy and Procurement Policy, which were both last updated in March 2019, and considered these documents to be comprehensive and in line with the Procurement Reform (Scotland) Act 2014 ('the Act') and The Procurement (Scotland) Regulations 2016 ('the Regulations'). In discussion with the procurement manager we confirmed that work to update both documents was underway but it was not anticipated that wholescale changes would be required for either document.

Observation	Risk	Recommendation	Management Response
Modern Slavery The Strategic Risk Register contains a specific risk that "College arrangements do not minimise risk associated with Modern Slavery". However, there is no specific reference to Modern Slavery within the Procurement Strategy and the Procurement Policy.	There is a risk that risks around modern slavery will not be adequately dealt with through the procurement processes.	**R1** the next iteration of the procurement strategy and the procurement policy should make specific reference to the ways in which risks around modern slavery will be dealt with through the procurement arrangements.	Agreed. The College currently publish a Modern Slavery statement but will ensure that future revisions of procurement documentation adequately addresses pertinent issues. **To be actioned by:** Head of Finance / Procurement Manager **No later than:** 30 November 2020
			Grade 3

Objective 2: Procurement procedures ensure that: areas of high spend across the College are monitored appropriately; opportunities for pooling of expenditure are identified in order to achieve best value; and collaborative procurements and frameworks available to the College are utilised where appropriate

Since 2018 the increased use of frameworks has been a specific focus for the Procurement Manager, who has worked collaboratively with the Head of the Tayside Regional Procurement Team as part of the new regional structure deployed by APUC. Quarterly Procurement Update reports are now produced for the Finance and Property Committee, following a decision taken at the November 2018 meeting of the Committee. The Procurement Updates provide information on the expected and recurring contract renewals for the upcoming calendar year which exceed the delegated authority limit of £50K. This ensures that there is appropriate horizon scanning to identify the appropriate route to market. This includes opportunities for pooling of expenditure through collaborative arrangements and/or opportunities to utilise frameworks. Although there is no approved supplier list in operation within the College, a basic "step by step guide" is in place for buyers to follow which direct buyers to access available frameworks as the preferred. Whilst the focus for procurement attention in recent years has understandably been on areas of high spend, such as IT and Estates, the quarterly reporting to the Finance and Property Committee also demonstrates that business critical issues are also factored into the forward planning undertaken by procurement. This ensures that operational risks relating to specific contracts are considered, rather than solely focusing on the value of the specific contract.

The Procurement Reform (Scotland) Act 2014 requires any public organisation, which has an estimated annual regulated spend in excess of £5M to publish an Annual Procurement Report. The latest iteration of the Annual Procurement Report was authorised by the Finance and Property Committee in November 2019. This report covers the period from August 2018 to July 2019 and sets out the work undertaken to delivering the objectives enshrined in the College's Procurement Strategy. The Annual Procurement Report states that for the period August 2018 to July 2019 the College has made a concerted effort to enter into national, sectoral, local or regional collaborative contracts and frameworks, with an estimated 52% of College spend directed through collaborative agreements. The focus going forward will be to increase this figure by moving towards single suppliers and the use of call off contracts for areas such as catering supplies. The Annual Procurement Report also states that full use is made of expenditure segmentation analysis and data located on Hunter (including Contracts Registers) and Procurement Data Dashboard in order to identify opportunities for more efficient and effective procurement. We confirmed that the analysis of high spend areas is conducted monthly.

Any instances of Non Competitive Action are identified in the quarterly and annual reporting with the rationale provided for any decision not to procure goods or services in line with College procedures. Examples of these could be catastrophic failure of vital equipment which negates the opportunity to conduct a competitive process in order to maintain business continuity, or the fact that the supply chain is not able to deliver the goods required (such as electric vehicles).

The College's continual improvement process around procurement is aligned to the Scottish Government's Procurement and Commercial Improvement Programme (PCIP). The PCIP is a biennial audit of public sector procurement with a focus on embedding best practice across the public sector. This exercise allows independent verification of the progress made in developing the procurement arrangements across the College and provides access to benchmarking data to drive improvement activity. The most recent PCIP assessment was conducted in November 2019 and the College achieved a score which placed it in the Silver band (61% to 75% compliance). This was an improvement on the previous assessment, conducted in January 2018, which placed the College in the Bronze band (51% to 60%).

Purchasing and Creditors / Purchasing

Objective 3: The College's procurement guidance on quotes and tenders are being complied with

We selected a random sample of 10 high spend purchases from the payments runs processed since August 2019 and tested these to make sure that in all instances the College guidance on tenders and quotes was being complied with.

In all cases we received details of frameworks or collaborative procurement exercises with the exception of one purchase which related to the purchase of second hand vehicles. This was supported by a best value exercise which confirmed that the purchase of these vehicles (which were of a specific age and mileage) form the chosen supplier delivered best value to the College.

Therefore, the results of our testing did not identify any areas of non-compliance with the College's procurement guidance.

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Purchasing and Creditors / Purchasing

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Purchasing / Creditors

Objective 4: Purchase orders are completed for relevant purchases and are approved by members of staff with sufficient delegated authority prior to issue to suppliers, with the risk of unauthorised and excessive expenditure being minimised

Objective 5: All payments are properly authorised, processed and recorded

We selected a random sample of 20 payments processed during the period from August 2019 to January 2020. These payments related to BACS payments of varying values, Bankline payments, Direct Debits and Credit Card payments. However, we were unable to complete our testing on the authorisation of purchase orders and the processing of payments due to the cyber-attack perpetrated on the College, which prevented access to the relevant information on the P2P system.

We confirmed with finance staff that users are prevented from creating an order and then approving payment and that all budget holders have a specific delegated authority level. However, we were unable to confirm whether this control was operating as intended for the reasons described above.

We were able to conduct an analysis of the hard copy documentation held for all payment runs made between 6 November 2019 and 24 January 2020 to ensure that payment runs had been appropriately prepared, checked and authorised. At the time of our testing an upgrade to the SUN financial system was ongoing with user acceptance testing underway. In addition, work had been undertaken to upgrade the BACS system to the latest version of ePay.

Our testing confirmed that in all instances the payments listing from SUN had been reviewed and that the reviewer had signed off the documentation. We were also able to confirm that in all instances the BACS payment had been independently authorised by the Head of Finance. In eight of the nine instances sampled we confirmed that the BACS payment listing had been signed off by the Head of Finance to confirm that the BACS payment listing had been agreed to the report drawn from SUN. However, on the basis that the BACS payment listing had been authorised by the Head of Finance we have not raised a specific recommendation regarding this point.

We also confirmed that there is segregation between the Finance staff who process information through P2P (the Finance Team Leader and the cashier0 and the member of staff who runs the payment run report and creates the file for the BACS system so that it can be transferred through ePay.

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Purchasing and Creditors / Purchasing

Objective 6: Appropriate controls are in place over the amendment of standing supplier data on the finance system

The system which is used to control standing supplier data is called FIDO. This system is also utilised to transfer data from the P2P system to SUN and any data transfer issues are flagged through the FIDO software.

If a user enters the P2P system and raises an order for a supplier which is not already set up on the system then a new supplier form has to be completed within P2P. This automatically triggers an email communication to the Procurement Manager who conducts appropriate due diligence checks before emailing Finance to confirm that the supplier can be set up on the system. This process is also followed for an request to change supplier data and Finance staff make direct contact with the supplier to check that the bank account details provided are accurate. This is supplemented by a Google search to corroborate information and also a request for a company letterhead. All forms are signed and dated to confirm that all reasonable steps have been taken before setting up a supplier or amending standing supplier data.

Purchasing and Creditors / Purchasing

Objective 6: Appropriate controls are in place over the amendment of standing supplier data on the finance system (Continued)			
Observation	**Risk**	**Recommendation**	**Management Response**
Bank Account Changes Report and Related Checks We noted that although the form is signed off to demonstrate that checks are carried out before new suppliers are set up or when a change to standing supplier data is requested, the details of the contact person who was physically spoken to is not recorded.	There is a risk that the form may be signed off as checked when no contact has been possible with the supplier to double check that the bank account details provided are accurate.	**R2** In future the details of the supplier employee spoken to, and their job title, should be recorded to ensure that contact is made with the supplier and the bank account details corroborated before any standing payment details are entered or altered.	Agreed. **To be actioned by:** Head of Finance **No later than:** Immediate.
			Grade 3

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BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 12 May 2020

INTERNAL AUDIT

IT Network Arrangement / IT Strategy   PAPER G

Dundee & Angus College
IT Network Arrangements / IT Strategy

Internal Audit Report No: 2020/03

Draft issued: **7 April 2020**

Final issued: **28 April 2020**

LEVEL OF ASSURANCE   **Satisfactory**

Now, for tomorrow

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Contents

Level of Assurance

In addition to the grading of individual recommendations in the action plan, audit findings are assessed and graded on an overall basis to denote the level of assurance that can be taken from the report. Risk and materiality levels are considered in the assessment and grading process as well as the general quality of the procedures in place.

Gradings are defined as follows:

Good	System meets control objectives.
Satisfactory	System meets control objectives with some weaknesses present.
Requires improvement	System has weaknesses that could prevent it achieving control objectives.
Unacceptable	System cannot meet control objectives.

Action Grades

Priority 1	Issue subjecting the organisation to material risk and which requires to be brought to the attention of management and the Audit & Risk Committee.
Priority 2	Issue subjecting the organisation to significant risk and which should be addressed by management.
Priority 3	Matters subjecting the organisation to minor risk or which, if addressed, will enhance efficiency and effectiveness.

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Management Summary

Overall Level of Assurance

Satisfactory	System meets control objectives with some weaknesses present

Risk Assessment

This review focused on the controls in place to mitigate the following risks on Dundee & Angus College's ('the College) Risk Register:

3.7 – Breach of data security / data protection (risk rating: low);
4.2 – Failure to achieve ambitions of ICT Strategy; strategy and development is ineffective (risk rating: low);
4.3 – Breach of ICT/Cyber security (risk rating: low); and
4.4 – ICT infrastructure fails to support effective data security / data protection (risk rating: low).

Background

As part of the Internal Audit programme at the College for 2019/20 we carried out a review of the College's IT network arrangements, including security, and IT Strategy. Our Audit Needs Assessment identified this as an area where risk can arise and where Internal Audit can assist in providing assurances to the Principal and the Audit & Risk Committee that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

Responsibility for ensuring an efficient and effective Information and Communications Technology (ICT) service delivery to all staff and students within the College lies with ICT Services. This includes first level support over some of the main application systems used in the provision and maintenance of user access to the network. ICT Services is also responsible for purchasing and maintaining the servers upon which the applications are housed; the desktop computers and mobile devices used by staff and students; and the network which connects them.

The College has deployed significant resources in developing, acquiring and maintaining application and business systems. In turn, these systems manage critical information and should be considered an asset that requires to be effectively managed and controlled.

A clear IT strategy can bring significant benefits. Information technology that is appropriately matched to the College's needs will support and strengthen the College's activities and help it achieve strategic aims more efficiently and effectively.

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Scope, Objectives and Overall Findings

IT Network Arrangements
This aspect of the audit included a review of the College's current position with regard to Cyber Security in order to advise on areas that should be addressed in line with the latest guidance produced by the National Cyber Security Centre (NCSC), the UK Government's national technical authority for information and cyber security.

IT Strategy
This aspect of the audit included a high-level review of the College's IT/Digital Strategy.

The table below notes the objectives for this review and records the results:

Objective		Findings		
The specific objectives of this audit were to obtain reasonable assurance that:		**1**	**2**	**3**
IT Network Arrangements				
1. Review the security tools in place, how these are currently used, the configuration of key elements of IT infrastructure which protect access to data, plus the policy and procedures giving guidance as to how security should be managed by both the IT department and users.	**Satisfactory**	0	0	5
IT Strategy				
2. An IT strategy group (or equivalent) has been formed to prepare and maintain the strategy.	**Good**	0	0	0
3. The IT/Digital Strategy was developed in consultation with users and taking into account the Regional Outcome Agreement and other operational plans.	**Good**	0	0	0
4. The IT/Digital Strategy shows: ♦ objectives; ♦ how they will be achieved; ♦ resources required; ♦ clearly defined timescales for achieving specific goals and objectives; and ♦ implications.	**Good**	0	0	0
5. Staff are aware of, and have ready access to, the IT/Digital Strategy.	**Good**	0	0	0
6. Procedures have been established for monitoring implementation of the IT/Digital Strategy and responsibilities formally assigned.	**Good**	0	0	1
		0	**0**	**6**
Overall Level of Assurance	**Satisfactory**	System meets control objectives with some weaknesses present		

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Audit Approach

IT Network Arrangements

Our approach was based upon the guidance and best practice provided by the National Cyber Security Centre (NCSC); discussion with the Head of ICT and other members of the ICT Team, review of relevant documentation; and observation. This covered the following areas:

- Information risk management;
- Secure configuration of ICT equipment;
- Network security;
- Managing user privileges;
- ICT user education and awareness;
- Incident management;
- Malware prevention;
- Monitoring;
- Removable media controls; and
- Home and mobile working.

IT / Digital Strategy

Through discussions with the Head of ICT and Learning & Digital Resources Manager, and review of relevant documentation, we assessed whether the IT strategic planning process and monitoring controls accord with good practice. Applicable extracts from the Control Objectives for Information and Related Technology (COBIT) framework for information technology management and governance were used as benchmarks.

Summary of Main Findings

Shortly after our audit visit the College suffered a cyber-attack which caused significant disruption to College operations. At the time of this report a forensic review of the causes of the attack was being conducted by the College in conjunction with the NCSC and Janet. Cyber-attacks are often random, and difficult to predict, and although organisations can implement cyber security controls to mitigate known risks the nature of cyber-attacks are constantly evolving and therefore all risks cannot be completely eliminated.

Throughout our review we observed examples of good practice and we welcomed the willingness of personnel in the ICT Team to assist our review and to improve security within the College. Despite the recent cyber-attack, we have concluded that, overall, the College ICT team has a high awareness of the risks of information / cyber security, and that the control environment demonstrates good practice with the expected cyber security controls in place, for an organisation of this size, found to be in place in most areas.

The main area of weakness identified is around User Education and Awareness, where we found that although ICT staff demonstrated a strong awareness of information security risks the College could do more to provide information security training to expand the breadth and depth of knowledge amongst the wider staff and student group at all levels.

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Summary of Main Findings (continued)

Strengths

- A risk management regime has been established, which includes identifying information / cyber security as key strategic risks, supported by an ICT operational risk register which identifies specific risks relating to information / cyber security.
- The College is a member of InfoSec, the Universities and Colleges Shared Services group for information security, which provides the College with access to information security expertise.
- A baseline security build for workstations, servers, firewalls and routers is in place.
- Hardware and software inventories have been created.
- Periodic vulnerability scans are conducted of the internal network and the ICT team constantly monitors the health and activity on the IT network.
- Processes are in place for applying updates and patches to all devices connected to the College network.
- The IT architecture protects the College network through use of firewalls and segregation prevents direct connections to untrusted external services and protects internal IP addresses.
- Management of user accounts is linked to the College's starter, leaver and change of role procedures.
- Although a formal cyber incident response plan was not available (see weaknesses identified below) the College corporate Business Continuity Plan (BCP) was invoked. In November 2019, a mock test of the BCP was undertaken by College management which contributed to the BCP being implemented efficiently and effectively in response to the recent cyber-attack.
- Network hardware is protected by an antivirus solution, which automatically scans for malware.
- Removable media is scanned for malware when connected to networked equipment.

Weaknesses

- At the time of our review there was an overarching information security policy in place which clearly communicated the College's approach to information risk management. Additionally, an Information Security Strategy, and supporting policies, were being drafted which would thereafter require approval by management and the Board.
- Our review found that although ICT staff demonstrated a strong awareness of information security risks the College is unable to demonstrate that a similar same level of awareness exists amongst the wider staff and student user groups as currently there is no structured programme of information security training provided to either staff or students. Notably, there is no mandatory training as part of the new staff induction process.
- In 2018 the College was required to comply with the applicable elements of the Scottish Government's Public Sector Action Plan (PSAP) for cyber security. An Internal Audit review of the College's compliance with the PSAP in February 2019 found that the College had not formally developed incident response plans for cyber threats. At the time of this audit the College had still to develop response plans, however the Head of ICT was in the process of drafting these and they will form part of the College's wider BCP arrangements.
- The use of removable media, such as USBs, is currently unrestricted and there is no requirement to ensure that only encrypted USBs are used. Our review noted that the systems and services deployed across the College ICT environment eliminate the need for transferring data from one device / location to another via USBs. In order to reduce the risk of data loss the ICT team has encouraged staff to use applications and services such as Office 365, Microsoft Teams, OneDrive and virtual desktop for remote access, which all have stronger document management controls. However, these alternatives do not reduce the risk of viruses being introduced into the College network via removable media.
- The Digital Strategy Action Plan shows 'date to be achieved' and where the action is complete it is marked as 'achieved'. However, details regarding current progress and if the action is still on track to be achieved by the target date are not formally documented.

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Acknowledgements

We would like to take this opportunity to thank the staff at the College who helped us during our audit visit.

Main Findings and Action Plan

IT Network Arrangements

Objective 1: Review the security tools in place, how these are currently used, the configuration of key elements of IT infrastructure which protect access to data, plus the policy and procedures giving guidance as to how security should be managed by both the IT department and users.

The NCSC's 10 Steps to Cyber Security guidance sets out what a common cyber-attack looks like and how attackers typically undertake them. Understanding the cyber and information security environment and adopting an approach aligned with the NCSC's 10 Steps is an effective means to help protect the College from cyber-attacks.

Information Risk Management

Defining and communicating the College's Information Risk Regime should be central to the College's overall cyber security strategy. The NCSC recommends organisations review this regime – together with the nine associated security areas described in Appendix I, in order to protect against most cyber-attacks.

To be fully effective an information risk management regime should be supported by an empowered governance structure, which is actively supported by the Board and senior managers. Our review identified that there are groups in place which act as appropriate bodies for evaluating and monitoring IT projects, including monitoring information security risks as they arise during the implementation of the College's Digital Strategy.

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IT Network Arrangements / IT Strategy

Objective 1: Review the security tools in place, how these are currently used, the configuration of key elements of IT infrastructure which protect access to data, plus the policy and procedures giving guidance as to how security should be managed by both the IT department and users (continued).

Observation	Risks	Recommendation	Management Response	
At a corporate level, a risk management regime has been established across the College with a strategic risk register, which identifies data and information security as a key risk, monitored by the Audit & Risk Committee and management. An ICT operational risk register which specifically identifies cyber security risks is also in place and monitored by the Head of ICT. At the time of our review an Information Security Strategy, and supporting policies, were being drafted. Through its membership of the HE/FE Shared Technology & Information Service the College has access to a Regional Chief Information Security Officer (CISO) who provides advice on information and cyber security controls.	An Information Risk Management Regime is not embedded across the organisation, which is supported by the Board, senior managers and an empowered information assurance structure.	**R1** An overarching corporate information risk policy should be created and owned by the Board to help communicate and support risk management objectives, setting out the information risk management strategy for the organisation.	An information security policy has been in place since November 2019. The Information Security Strategy has been created and approval for this will be sought. **To be actioned by:** Head of ICT **No later than:** 31 May 2020	
			Grade	**3**

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IT Network Arrangements / IT Strategy

Objective 1: Review the security tools in place, how these are currently used, the configuration of key elements of IT infrastructure which protect access to data, plus the policy and procedures giving guidance as to how security should be managed by both the IT department and users (continued).

User Education and Awareness
Users have a critical role to play in the College's security and so it is important that security rules and the technology provided enables users to do their job as well as help keep the College secure. This can be supported by a systematic delivery of awareness programmes and training that deliver security expertise as well as helping to establish a security-conscious culture.

Observation	Risks	Recommendation	Management Response
Our review found that although ICT staff demonstrated a strong awareness of information security risks the College is unable to demonstrate that the same level of awareness exists amongst the wider staff and user groups as currently there is no structured programme of information security training provided to either staff or students. Notably, there is no mandatory training as part of the new staff induction process. A link to a NCSC information security video is available on the College staff portal. As part of the implementation of the Digital Strategy the College invited staff to undertake a Digital Capabilities Self-Assessment in 2018. A refresh of this is planned for May 2020. The self-assessment questionnaire is available on the staff portal. We noted that it includes a section on Information Security Awareness, which includes common threats, remote working, physical security, and a questionnaire to test understanding. A separate online learning course is also available as part of the range of optional CPD activity available to staff. The information contained in the Digital Capabilities Self-Assessment is typical of the training that should be provided to all staff. It is good practice for such training to be incorporated into the induction process for new staff and students as mandatory training. A cyber-attack launched against the College shortly after our audit fieldwork highlighted the importance of having a robust cyber awareness programme in place.	Organisations that do not effectively support employees through education and awareness may be vulnerable to a range of risks, including: • introduction of malware and data loss through use of removable media; • legal sanctions due to loss of sensitive data; • external attacks due to email phishing and social engineering; and • data loss or corruption due to an internal attack by a dissatisfied employee.	**R2** Develop a programme of information and cyber security training for staff and students to mitigate information security risks, covering: • the College's Information Security Strategy and associated IT security policies; • cyber security risks and strategies for defence, covering internet safety, mobile and home working, phishing, and prevention against malware. • an induction process for new staff (and where applicable contractors and third-party users); • regular refresher training on the security risks to the College; • supporting staff in information security roles to enrol on a recognised certification scheme; • monitoring the effectiveness of security training; and • promoting an incident reporting culture.	An online course that covers this detail is available and is currently optional. It is agreed that the course should now be mandatory with refresher training in high risk areas. This will be rolled out over the summer 2020. **To be actioned by:** Head of ICT **No later than:** 30 September 2020
			Grade 3

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IT Network Arrangements / IT Strategy

Objective 1: Review the security tools in place, how these are currently used, the configuration of key elements of IT infrastructure which protect access to data, plus the policy and procedures giving guidance as to how security should be managed by both the IT department and users (continued).

Observation	Risks	Recommendation	Management Response
(continued) The Digital Strategy is a key element of the College's strategic aims and objectives through leveraging the use of technology and digital tools in the delivery of learning and teaching, and in improving the efficiency of business processes. Therefore, it is vital that staff are provided with adequate information security training to mitigate the risk of malicious or accidental data loss resulting from an increased use of technology and digital services.	As above.	**R3** Once training has been delivered (see **R2**) mechanisms should be developed and implemented to test the effectiveness and value of the security training provided to staff and students. This should be delivered through formal analysis of the section on information security within the Digital Skills Capability Assessment. Those areas of the College which routinely feature in security reports (or achieve the lowest feedback from information security questionnaires) should be targeted and prioritised for further training.	The effectiveness of cyber training is currently assessed through the Digital Skills Capability Assessment. We will continue to monitor this bi-annually. The next assessment will be carried out in May 2020. **To be actioned by:** Learning & Digital Resources Manager **No later than:** 30 June 2020

			Grade	**3**

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IT Network Arrangements / IT Strategy

Objective 1: Review the security tools in place, how these are currently used, the configuration of key elements of IT infrastructure which protect access to data, plus the policy and procedures giving guidance as to how security should be managed by both the IT department and users (continued).

Observation	Risks	Recommendation	Management Response	
Incident Management From 2018 the College was required to comply with the applicable elements of the Scottish Government's Public Sector Action Plan (PSAP) for cyber security. An Internal Audit review of the College's compliance with the PSAP in February 2019 found that the College had not developed incident response plans for cyber threats. At the time of this audit the College had still to develop formal response plans, however the Head of ICT was in the process of drafting these which will form part of the College's wider business continuity arrangements. It is recognised good practice for organisations to establish a cyber incident response and disaster recovery capability that addresses the full range of incidents that can occur. Cyber incident management plans should be regularly tested. Shortly after our audit visit the College suffered a cyber-attack which caused significant disruption to College operations. Although a formal cyber incident response plan was not available the College's corporate Business Continuity Plan (BCP) was invoked. In November 2019, a mock test of the BCP was undertaken by College management which contributed to the BCP being implemented efficiently and effectively in response to the recent cyber-attack.	The BCP lacks sufficient detail as to how ICT services will continue to operate, i.e. provide services to its stakeholders, during a disastrous episode and the ensuing post-disaster recovery. This shortfall would make it difficult for the College to plan for the early provision of alternative ICT services pending the re-establishment of critical business systems, applications and services.	**R4** Ensure that the Cyber Incident Management Plan is completed. Findings from the formal cyber-attack post-incident review should be considered to inform the development of the plan. Ensure that the plan is tested before being implemented in order to provide assurance that the plan can operate as intended.	A Cyber Incident response plan will be drafted and presented for approval to the Executive Team. **To be actioned by:** Head of ICT **No later than:** 31 May 2020	
			Grade	**3**

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IT Network Arrangements / IT Strategy

Objective 1: Review the security tools in place, how these are currently used, the configuration of key elements of IT infrastructure which protect access to data, plus the policy and procedures giving guidance as to how security should be managed by both the IT department and users (continued).

Observation	Risks	Recommendation	Management Response
Removable Media Controls The use of removable media, such as USBs, is currently unrestricted and there is no requirement to ensure that only encrypted USBs are used. Our review noted that the systems and services deployed across the College ICT environment eliminate the need for transferring data from one device / location to another via USBs. In order to reduce the risk of data loss the ICT team has encouraged staff to use applications and services such as Office 365, Microsoft Teams, OneDrive and virtual desktop for remote access, which all have stronger document management controls. However, these alternatives do not reduce the risk of viruses being introduced into the College network via removable media. The continued use of USBs appears to persist as a matter of user culture. Application whitelisting is the practice of specifying an index of approved software applications that are permitted to be present and active on a computer system. The goal of whitelisting is to protect computers and networks from potentially harmful applications. We noted that although whitelisting is not currently utilised, IT systems have been configured to prevent the installation and execution of unauthorised software and applications by employing process execution controls, for example disabling the 'Autorun' function on devices when removeable media is inserted, and devices are scanned for virus/malware on first use.	Removable media is a popular attack vector for introducing malicious programmes into the computer network. Loss of USBs resulting in loss of potentially sensitive data and breach of data protection legislation.	**R5** It is recommended that awareness of the risks arising from the use of removable media is re-enforced to staff and students through appropriate training material (see **R2**). This should then be followed up with the introduction of College wide requirement for all staff and students to use encrypted USBs only, leading to a restriction in the use of USBs enforced by policy (through whitelisting of devices and port restrictions) and to the ultimate full removal of the ability to use such devices.	There will be a two-step process for meeting this recommendation. - We will pull together a communication package around the risks of such devices and the different, secure alternatives that are available to staff - We will enforce encryption of USB devices on our network. Once this is complete, we will make an assessment on whether our business practices will allow complete removal of USB removable media devices. **To be actioned by:** Head of ICT **No later than:** 31 August 2020

	Grade	3

IT Network Arrangements / IT Strategy

IT Strategy

Objectives 2 -6
- **an IT strategy group (or equivalent) has been formed to prepare and maintain the strategy;**
- **the IT/Digital Strategy was developed in consultation with users and taking into account the Regional Outcome Agreement and other operational plans;**
- **the IT/Digital Strategy shows:**
    - **objectives;**
    - **how they will be achieved;**
    - **resources required;**
    - **clearly defined timescales for achieving specific goals and objectives; and**
    - **implications;**
- **staff are aware of, and have ready access to, the IT/Digital Strategy; and**
- **procedures have been established for monitoring implementation of the IT/Digital Strategy and responsibilities formally assigned.**

The College has developed a Digital Strategy which sets out a framework for the use of digital technologies to support the College's business and curriculum objectives. A supporting Action Plan has also been produced which includes several actions which are grouped under three headings: a relevant digital curriculum for all; a roust flexible, digital environment; and an empowered digital community. The Digital Strategy and Action Plan also support the College's Good to Great change programme for both curriculum and support services.

The College's strategy for improving digital capability follows guidance produced by the UK Government and Jisc (formerly the Joint Information Systems Committee) using the 4-step process:

Step 1: Vison and Intent

Step 2: Design and Construction

Step 3: Explore and Contextualise

Step 4: Support and Consolidate

Following the above steps, the Strategy focuses on three key areas, or strands:

- A Relevant digital Curricula for All
- A Robust, Flexible, Digital Environment
- An Empowered Digital Community

IT Network Arrangements / IT Strategy
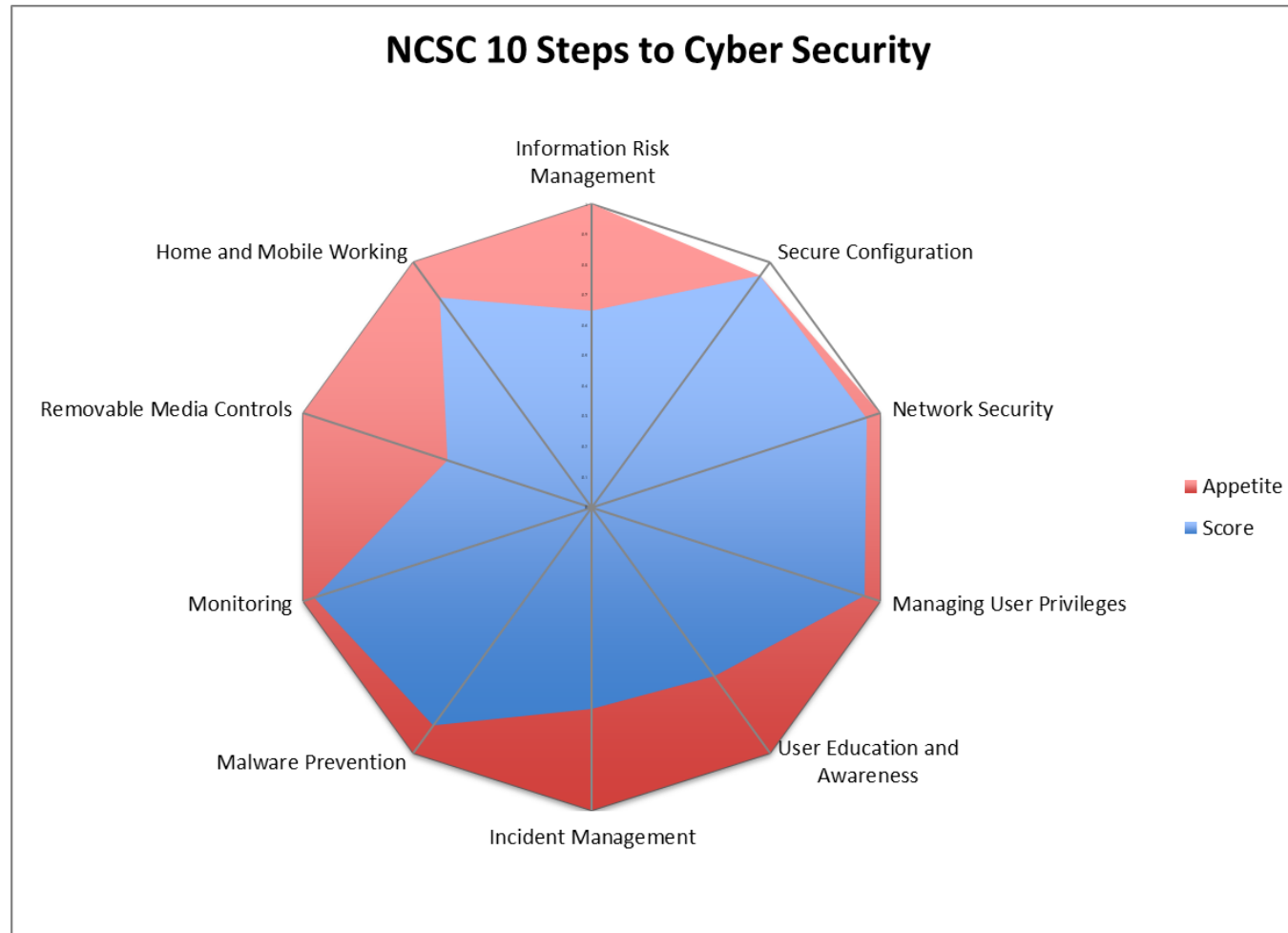
IT Strategy

Objectives 2 -6 (continued):
- **an IT strategy group (or equivalent) has been formed to prepare and maintain the strategy;**
- **the IT/Digital Strategy was developed in consultation with users and taking into account the Regional Outcome Agreement and other operational plans;**
- **the IT/Digital Strategy shows:**
  - ♦ **objectives;**
  - ♦ **how they will be achieved;**
  - ♦ **resources required;**
  - ♦ **clearly defined timescales for achieving specific goals and objectives; and**
  - ♦ **implications;**
- **staff are aware of, and have ready access to, the IT/Digital Strategy; and**
- **procedures have been established for monitoring implementation of the IT/Digital Strategy and responsibilities formally assigned.**

An Action Plan has been developed which contains objectives under each of the above strands and this is formally monitored every six months by the Digital Strategy Group with updates then subsequently reported to the College Executive Team and the Board. The strategy is reviewed more frequently, although less formally, by the Head of ICT, the Leaning and Digital Resources (LDR) Manager and Vice Principal, Curriculum & Attainment.

The LDR Team provides support in identifying opportunities for new digital tools that can be deployed in both curriculum and support areas and to provide training to staff.

Details of the Digital Strategy are available to all staff on the staff portal.

The College has invested significant resources to support the Digital Strategy, in terms of the systems, applications and digital tools now available to staff and students, the ICT infrastructure which underpin these services, and also organisational structures and training as supported by the LDR team. An ICT Resource Plan is in place which provides a roadmap for ICT in supporting the Digital Strategy. The ICT Resource Plan includes:

- details of how ICT investment will support the Digital Strategy, and how this will be achieved
- links to the requirements of the Public Sector Action Plan
- strategy for moving to the Cloud to deliver services
- learning and teaching trends and how this will impact ICT capability and investment
- a detailed investment plan over the life of the Digital Strategy, showing ICT operating models, systems options, infrastructure requirements and costs

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IT Network Arrangements / IT Strategy

Observation	Risks	Recommendation	Management Response	
The Digital Strategy Action Plan shows 'date to be achieved' and where the action has been delivered it is marked as 'achieved'. However, details regarding current progress, and whether the action is still on track to be achieved by the target date, are not formally documented.	Monitoring arrangements are not sufficient to provide adequate scrutiny and challenge to ensure that actions remain on track.	**R6** It is recommended that an additional column is added to the Digital Strategy Action Plan to provide further details of progress to date against each action. The College should also consider a RAG (Red, Amber, Green) system to show progress.	The Digital Strategy action plan has been updated incorporating this recommendation. **To be actioned by:** Learning & Digital Resources Manager **No later than:** 30 April 2020	
			Grade	3

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Appendix I – NCSC 10 Steps to Cyber Security

The Graphic below illustrates the College's current position in relation to the NCSC's 10 Steps to Cyber Security guidance.

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 12 May 2020

INTERNAL AUDIT

Progress Report   **PAPER H**

Dundee & Angus College

Internal Audit Progress Report
2019/20 Annual Plan

12 May 2020

Now, for tomorrow

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Internal Audit Progress Report
May 2020

Progress made in delivering the annual plan for 2019/20, approved in September 2019, is shown below.

Audit Area	Planned reporting date	Report status	Report Number	Overall Conclusion	Audit and Risk Committee	Comments
Annual Plan 2019/20	September 2019	Draft 06/09/19 Final 10/09/19	2020/01	N/A	17/09/19	
Staff recruitment and retention	March 2020	Draft 23/12/19 Final 13/01/20	2020/02	**Satisfactory**	12/05/20	
IT Network Arrangements / IT Strategy	March 2020	Draft 07/04/20 Final 28/04/20	2020/03	**Satisfactory**	12/05/20	
Payroll and HR	March 2020	Draft 27/04/20 Final 29/04/20	2020/04	**Good**	12/05/20	
Procurement and Creditors / Purchasing	March 2020	Draft 05/05/20 Final 05/05/20	2020/05	**Good**	12/05/20	
National Fraud Initiative	September 2020					
Follow Up Reviews	September 2020					

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Audit Area	Planned reporting date	Report status	Report Number	Overall Conclusion	Audit and Risk Committee	Comments
Credits audit	November 2020					
Bursary, childcare and hardship funds	November 2020					
EMA audit	November 2020					

Gradings are defined as follows:

Good	System meets control objectives.
Satisfactory	System meets control objectives with some weaknesses present.
Requires improvement	System has weaknesses that could prevent it achieving control objectives.
Unacceptable	System cannot meet control objectives.

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BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 12 May 2020

INTERNAL AUDIT

Follow-Up Summary　　　　　　　　　　　　**PAPER I**

BOARD OF MANAGEMENT

Audit & Risk Committee
Tuesday 12 May 2020
Internal Audit Outstanding Actions Follow-up Summary

Paper for information

1. Introduction

This report provides an update on the Internal Audit actions that are not yet closed off. These are a combination of actions:

- that are not yet due to be completed or;
- where the originally anticipated deadline has passed or;
- that are partially completed.

2. Recommendations

Members are asked to note the progress highlighted in Appendix 1 and 2.

3. Background

The Committee were satisfied with the style of reporting presented in November 2019 and asked that a Red/Amber/Green (RAG) status be added.

Audit Area	Report Grades	Number of Actions Outstanding (& Priority Grades)		
		1	2	3
Data Protection	Satisfactory	-	-	1
Duty of Care	Satisfactory	-	-	1
Risk Management / Business Continuity	Satisfactory	-	-	1
Student Engagement / Students' Association	Good	-	-	1
Student Activity	n/a	-	-	2
Student Support Funds	n/a	-	-	-
Staff Recruitment and Retention	Report being considered at this meeting			
HR / Payroll	Report being considered at this meeting			
Procurement and Creditors/ Purchasing	Report being considered at this meeting			
IT Network Arrangement / IT Strategy	Report being considered at this meeting			
	Total	-	-	**6**

Complete or on target to complete within original deadline

Behind schedule by < 3 months from original deadline

Behind schedule by > 3 months, or in danger of not being delivered

Of the six outstanding actions, since the last Audit & Risk Committee, good progress has been made:

- Four are "Complete"
- One is on "On Track", in line with the deadline
- One is "In Progress" behind the deadline having bene impacted by the cyber attack and the COVID-19 pandemic.

The outstanding actions with the respective progress updates are detailed in the appendix below.

4. Cyber Incident

On 16 March 2020 Board Members received a copy of the report of findings and recommendations from the Cyber Incident that affected the college in January 2020.

It was agreed that the Audit & Risk Committee would monitor the progress of the implementation of these recommendations.

Subsequent to the report being presented to the Board, Jisc highlighted four further recommendations. These have been added to the Appendix below and will be reported and monitored alongside the other recommendations.

Due to the sensitivity of the report the progress will be reported as a separate Appendix.

The report should continue to be treated as sensitive and confidential and not to be shared wider.

Of the 12 recommendations made, 3 have been completed, 8 are on track/in progress and within deadline. One is on hold for further consideration with a deadline of 2021.

Complete or on target to complete within original deadline

5. Catering Business Process Review Update

At the November 2019 Audit & Risk Committee it was agreed that a regular update on progress of the Catering Business Process Review would be welcomed. A series of workstreams are now in place:

Data Analytics 	Reduce Waiting Times
Marketing & Branding 	Standardise Food Safety Documentation
Food Poverty 	Plastics & Climate Emergency
Induction 	Enhanced Student Placement Experience

Each workstream has an allocated lead and representatives from a range of teams. Despite the disruption as a result of COVID-19 a number of the workstreams are continuing to progress, albeit more slowly than we would have wished.

Due to the impact of COVID-19, and the expected ongoing requirement for social distancing it is very likely that the catering service will look very different to normal for the remainder of 2020. These implications are being managed as part of a COVID-19 workstream.

6. **Fraud Initiative Update**

The Fraud, Bribery and Corruption policy is not yet in a state to be presented to the Audit & Risk Committee for approval. This revised policy will subsume two previous policies; Fraud Prevention and Anti-Bribery into one and will include reference to the National Fraud Initiative and the Fraud Triangle.

It was reported at the last Committee the intention to present the Fraud Triangle to the Leadership Development Forum. Circumstances have prevented that so this will be rescheduled for later this year.

7. **Link to Strategic Risk Register**

Consideration of the outstanding actions is intended to provide Members with reassurance that actions for improvement are being progressed and addressed.

Progressing these Internal Audit outstanding actions will support the mitigation of a range of risks identified within the Strategic Risk Register namely;
2.2 – failure to achieve institutional sustainability
2.4 – financial fraud
3.1 – failure to reach aspirational standards in learning, teaching and service delivery
3.2 – failure to achieve/maintain compliance arrangements
3.3 – serious accident, incident or civil/criminal breach, legal action
3.4 – loss of reputation with key stakeholders
3.7 – breach of data security/data protection
3.8 – failure to meet Prevent and related obligations
3.8 – arrangements do not minimise risk associated with Modern Slavery
4.4 – failure to support effective data security/data protection

Author & Executive Sponsor: Jaki Carnegie, Vice Principal – Corporate Services

Year	Audit Area Report Title	Priority Action Grade	Report Grade	Action	Responsible Officer	Deadline	Progress (as at April 2020)
2018/04	R1 - Data Protection	3	Satisfactory	Consider discussing with key partners and stakeholders with whom the College shares personal and sensitive data via email, for example local authorities, and determine what safe systems they have adopted for secure document exchange and request sign up to those systems.	Head of ICT / Data Protection Officer	Jul-20	<u>Complete</u>

Technical solution, utilising OneDrive, is now in place. Communications to go out to staff to guide them through the new process. |
| 2019/06 | R4 - Risk Management & Business Continuity | 3 | Satisfactory | A review should be conducted to ensure that the new requirements contained within Clause 9 of ISO 22301 are reflected in the next iteration of the Business Continuity Plan | VP Corporate Services | Mar-20 | <u>Complete</u>

Following the scenario planning desktop exercise and the management of the cyber attack and Covid-19 the Business Continuity Plan and Policy have been updated. The Business Continuity Policy is included in the agenda for approval by the Committee. |

Year	Audit Area Report Title	Priority Action Grade	Report Grade	Action	Responsible Officer	Deadline	Progress (as at April 2020)
2019/05	R1 - Duty of Care	3	Satisfactory	Compile and publish a policy / procedure and guidance to all staff involved in event planning on how to risk assess and manage any planned events, meetings and guest speakers to mitigate the risk of attempts to radicalise students or draw them into terrorism	VP People & Performance	Aug-19	In Progress Guidance developed and shared with relevant staff. Consultation on final document for publication commenced with trade unions, but timescales impacted by cyber-attack and COVID 19 pandemic. Consultation to be completed by end June 2020.
2019/07	R1 - Student Engagement / Students' Association	3	Satisfactory	A formal Learner Engagement Strategy should be developed which contains aims and objectives which are clearly linked to the College's Regional Outcome Agreement and to the College's partnership agreement with the Students' Association; identifies and priorities learner engagement activity; and identifies actions which focus specifically on how the Strategy will be implemented in practice.	Learner Engagement Manager	Jun-20	On Track Draft strategy document developed for further discussion/approval.

Year	Audit Area Report Title	Priority Action Grade	Report Grade	Action	Responsible Officer	Deadline	Progress (as at April 2020)
2019/10	R1 - 2018/19 Student Activity Data	3	Satisfactory	Ensure that Credits are only claimed for non-EEA students that satisfy the criteria for residency exemptions included in the Credits guidance; and ensure that the details of any exemptions that are being applied are captured within enrolment data	Data Management Team Leader / Head of Administrative Operations	Jun-20	Complete Data Management have a process in place whereby there are checking reports in place to identify these candidates.
	R2 – 2018/19 Student Activity Data	3	Satisfactory	The College should ensure evidence of progression and participation / engagement is retained to evidence eligibility of the Credits claimed for work-based learning students. Where curriculum staff identify that no evidence is available, or that students are no longer engaging, this should be notified to the Student Records team to ensure that the Credits are removed from the Credits claim.	Curriculum Support Services Team Leader / Head of Administrative Operations	Dec-19	Complete The process implemented is that curriculum support services staff send engagement reports at the end of each semester and records are updated accordingly.

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 12 May 2020

EXTERNAL AUDIT PLAN   **PAPER J**

Dundee and Angus College

Annual Audit Plan 2019/20

Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.

- The Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.

- Audit Scotland is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.
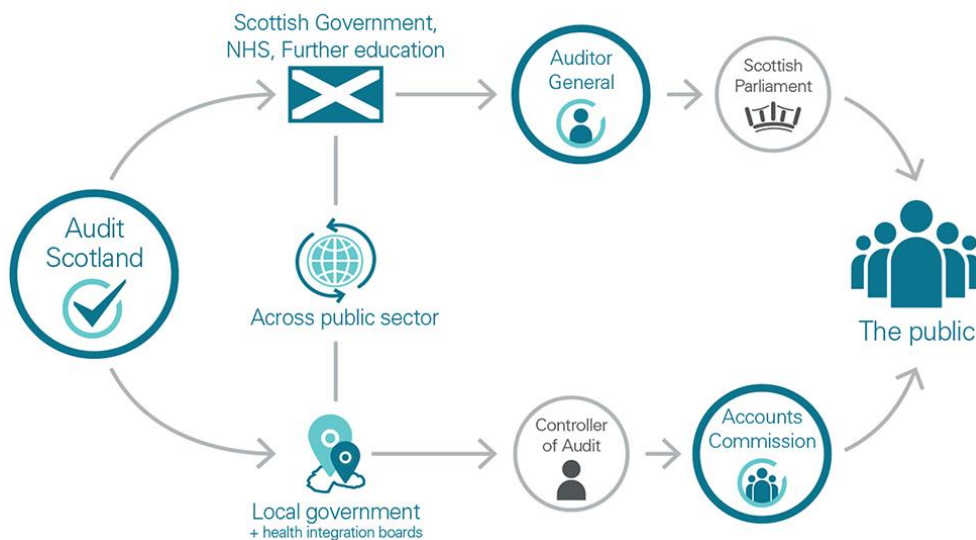
About us

Our vision is to be a world-class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money

- reporting our findings and conclusions in public

- identifying risks, making clear and relevant recommendations.

Contents

Risks and planned work

1. This annual audit plan contains an overview of the planned scope and timing of our audit of Dundee and Angus College (the College) for 2019/20 which is carried out in accordance with International Standards on Auditing (ISAs), the Code of Audit Practice, and guidance on planning the audit. This plan sets out the work necessary to allow us to provide an independent auditor's report on the annual report and financial statements and meet the wider scope requirements of public sector audit.

2. The wider scope of public audit contributes to assessments and conclusions on financial management, financial sustainability, governance and transparency and value for money. We make a public report of conclusions on these matters in our annual audit report to members and the Auditor General for Scotland.

Adding value

3. We aim to add value to the College through our external audit by being constructive and forward looking, by identifying areas for improvement and recommending and encouraging good practice. In so doing, we intend to help the college promote improved standards of governance, better management and decision making and more effective use of resources.

Audit risks

4. Based on our discussions with staff, attendance at meetings and a review of supporting information we have identified the significant audit risks for the College. We have categorised these risks into financial statements risks and wider dimension risks. The key audit risks, which require specific audit testing, are detailed in exhibit 1.

Impact of Covid-19

5. The first case of Covid-19 within the UK was reported in January 2020 and on 11 March the World Health Organisation declared the Covid-19 coronavirus outbreak a global pandemic.

6. In line with the tighter restrictions introduced to limit social interaction and non-essential work within the UK, the college closed to all students on 18 March, and to staff on 23 March.

7. The majority of our audit planning work was undertaken prior to the coronavirus outbreak and risks 1-7 in exhibit 1 reflect the financial statement and wider dimension risks identified up until that point. It is already clear that the impact of Covid-19 will have a pervasive effect on all aspects of the College's operations, including the operation of financial controls and the arrangements for producing, and auditing, the 2019/20 annual report and financial statements. However, it is not possible to predict with any certainty the full extent of the impact at this stage. We will continue to discuss our audit approach, and timetable, with management during the course of the year to agree how we can work together to adapt and respond to the changing circumstances.

Exhibit 1
Significant risks for the 2019/20 audit

⚠ Audit Risk	Source of management assurance	Planned audit work
Financial statements risks		
1 Risk of material misstatement caused by management override of controls ISA 240 requires that audit work is planned to consider the risk of fraud, which is presumed to be a significant risk in any audit. This includes consideration of the risk of management override of controls to change the position disclosed in the financial statements.	• *Owing to the nature of this risk, assurances from management are not applicable in this instance.*	• Detailed testing of journal entries. • Review of accounting estimates. • Focused testing of accruals and prepayments. • Evaluation of significant transactions that are outside the normal course of business. • Review of the Annual Governance Statement and the assurances obtained in support of the statement.
2 Risk of material misstatement caused by fraud in income recognition ISA 240 requires auditors to presume a risk of fraud where income streams are significant. The College recorded income of £44million in 2018/19, of which £35million was provided by the Scottish Funding Council (SFC) and £9million was received from other sources. SFC funding is reliant on accurate recording of student numbers and courses provided. In addition, the level of income received from other sources is material. The extent and complexity of income means that, in accordance with ISA 240, there is an inherent risk of fraud.	• Budget monitoring in place. • Fraud prevention and whistleblowing policies and procedures in place.	• Review of budget monitoring reports focussing on significant budget variances. • Detailed testing of income transactions. • Analytical procedures on income streams.
3 Risk of material misstatement caused by fraud in expenditure The Code of Audit Practice expands the consideration of fraud under ISA 240 to include the risk of fraud over expenditure. This applies to the college due to the variety and extent of expenditure incurred.	• Involvement in National Fraud Initiative • Budget monitoring in place • Fraud prevention and whistleblowing policies and procedures in place • Established procurement	• Audit work on the National Fraud Initiative matches. • Review of budget monitoring reports focussing on significant budget variances. • Consideration of the findings from internal audit's review of procurement.

⚠ **Audit Risk**	**Source of management assurance**	**Planned audit work**
	• processes and systems with clear delegated authority limits • Internal audit review of procurement.	• Detailed testing of expenditure transactions focusing on the areas of greatest risk • Analytical procedures on expenditure streams.
4 **Estimation and judgments** There is a significant degree of subjectivity in the measurement and valuation of some significant balance sheet assets/liabilities. • Valuations on non-current assets rely on expert valuations and management assumptions. A full valuation of non-current assets is due in 2019/20. • The value of the college's pension liability is an estimate based on information provided by management and actuarial assumptions. **Risk:** Valuations of assets/liabilities are materially misstated.	• Asset valuations will be completed by Royal Institute of Chartered Surveyors (RICS) qualified surveyors and the College is in the process of appointing a valuer to undertake the 2019/20 valuation programme. • Pension figures are derived from valuation calculations prepared by appointed actuaries. Officers review the actuary information to ensure data and assumptions used are reasonable.	• Review of the work of the valuer and actuary. • Focused substantive testing of classification and valuation of assets. • Review appropriateness of actuarial assumptions. • Confirm pension valuations in actuarial report are correctly reflected within the 2019/20 accounts.

Wider dimension risks

5 **Financial sustainability** The College approved its Financial Forecast Return (FFR) for 2019/20-2023/24 projected an underlying operating deficit from 2021/22 onwards resulting in a negative cash position by 31 July 2024. To address this, the College's financial strategy identified savings of £2.75 million are required over the next five years. Much of the savings required were expected to come from reduced head count achieved through voluntary severance. The College has reported that the voluntary savings assumptions made in the Financial Strategy for 2019/20 are not expected to be realised due to lower than anticipated requests. **Risk:** There is a risk that the College fails to achieve the planned savings and this negatively impacts on their cash balances over the next five years.	• Management accounts reporting to Finance and Property Committee and Board. Financial Forecast Return reporting to SFC.	• Monitor achievement of financial targets, including achievement of student credit targets. • Ongoing assessment of the College's financial strategy, including the assumptions used. • Review of the College's Financial Forecast Return for 2020/21-2024/25.

⚠ Audit Risk	Source of management assurance	Planned audit work
6 Estates Investment In common with other Scottish colleges, Dundee and Angus College has a significant backlog of repairs and maintenance for its estate. The College's estates strategy covering 2019/20 to 2023/24 sets out an estates plan to be followed during the five-year period and outlines how this will be implemented. The SFC allocated the College £1.646 million of capital maintenance funding to address its high priority works in 2019/20. However, the College has recognised it will need to secure additional funding streams if it is to implement its strategy. A business case is being developed with plans to build a new Science, Technology, Engineering and Maths (STEM) centre funded by the Scottish Government through a Mutual Investment Model (MIM). In addition, the College has planned a redevelopment of its Kingsway Tower and intends to submit a bid to the Dundee and Angus Foundation to seek financial support for this project. **Risk:** Should the anticipated funding not be secured, there is a risk that it impacts on the ability of the College to address the condition if its estate and continue to deliver their core services in a safe environment. There is also a related risk that the condition of the estate impacts on the ability of the College to attract new students.	• Estates projects progress reporting to Finance and Property Committee and Board.	• Ongoing assessment of the College's five-year estate strategy. • Monitor progress of funding applications.

Overarching financial statements and wider dimension risks

7 Impact of cyber attack In January 2020, the College experienced a three-day cancellation of all student classes following a significant cyber-attack. This impacted on a number of College systems and resulted in certain data and records being encrypted. **Risks:** There is a risk that financial information and evidence required for the financial statements audit may not be available. There is also a risk that the encryption of other key information impacts on the day-to-day operation of the College.	• Staff have been able to recreate some of the encrypted data from other sources. • The majority of financial systems were unaffected by the cyber-attack and alternative arrangements, and financial controls, have been put in place to enable the finance team to operate without the	• We will review the financial controls introduced following the cyber-attack. • We will select audit samples at an early stage, wherever possible, to enable the College to obtain supporting documentation from external parties where required (e.g. copy invoices from suppliers for expenditure sample testing).

⚠ Audit Risk	Source of management assurance	Planned audit work
Furthermore, there is a risk that the College may be vulnerable to future cyber-attacks.	systems that were affected. • Action is ongoing to address those areas where data can not be recreated. This includes discussions with the Scottish Funding Council around lost coursework and assessments. • JISC conducted an independent review of the incident in March 2020 which included recommendations to mitigate the risk of future attacks.	• We will continue to monitor the ongoing implications from the cyber-attack, including the arrangements put in place by the College to prevent future attacks.
8 **Impact of Covid-19** In line with the tighter restrictions introduced, in response to the Coronavirus outbreak, to limit social interaction and non-essential work within the UK, the college closed to all students on 18 March, and to staff on 23 March. **Risks:** The impact of Covid-19 will have a pervasive effect on all aspects of the College's operations and presents a wide range of risks for the 2019/20 audit.	• Business Continuity Plan and Policy. • Business Continuity team established and operating to minimise the impact.	• We will continue to discuss our audit approach, and timetable, with management during the course of the year to agree how we can work together to adapt and respond to the changing circumstances.

Source: Audit Scotland

Reporting arrangements

8. This audit plan, the outputs set out at exhibit 2, and any other outputs on matters of public interest will be published on Audit Scotland's website: www.audit-scotland.gov.uk.

9. Matters arising from our audit will be reported on a timely basis and will include agreed action plans. Draft reports will be issued to the relevant officer(s) to confirm factual accuracy, prior to the issue and publication of final reports.

10. We will provide an independent auditor's report (i.e. audit certificate) to the College and the Auditor General for Scotland setting out our opinions on the annual accounts. We will also provide the Board of Management and Auditor General for Scotland with an annual report on the audit containing observations and recommendations on significant matters which have arisen during the audit.

Exhibit 2
2019/20 Audit outputs

Audit Output	Target date	Board / Audit and Risk Committee Date
Management Letter *(This will only be required where reportable issues are identified during our interim testing)*	N/A	22 September
Annual Audit Report including ISA 260 requirements	31 December	24 November
Signed Independent Auditor's Report	31 December	15 December

Source: The target dates included are those specified in Audit Scotland's Planning Guidance 2019/20 but all audit outputs will be issued in time for inclusion in the papers for the relevant Board / Audit and Risk Committee meetings shown.

Audit fee

11. The agreed audit fee for the 2019/20 audit of the college is £24,370 (£23,950 in 2018/19). In determining the audit fee we have taken account of the risk exposure of the college, the planned management assurances in place and the level of reliance we plan to take from the work of internal audit. Our audit approach assumes receipt of the unaudited annual report and financial statements, with a complete working papers package on 28 September.

12. Where our audit cannot proceed as planned through, for example, late receipt of unaudited annual report and financial statements or inadequate working papers, a supplementary fee may be levied. An additional fee may also be required in relation to any work or other significant exercises out with our planned audit activity.

Responsibilities

Audit and Risk Committee and Board of Management

13. Audited bodies are responsible for ensuring the proper financial stewardship of public funds, compliance with relevant legislation and establishing effective arrangements for governance, propriety and regularity that enable them to successfully deliver their objectives.

14. The audit of the financial statements does not relieve management or the Audit and Risk Committee, as those charged with governance, of their responsibilities.

Appointed auditor

15. Our responsibilities as independent auditors are established by the Public Finance and Accountability (Scotland) Act 2000 and the Code of Audit Practice (including supplementary guidance) and are guided by the auditing professions ethical guidance.

16. Auditors in the public sector give independent opinions on the financial statements and other information within the annual accounts.

Audit scope and timing

Financial statements

17. The annual report and financial statements will be the foundation and source for most of the audit work necessary to support our judgements and conclusions. We also consider the wider environment and challenges facing further education and the wider public sector. Our audit approach includes:

- understanding the business of the collegeDundee and Angus College and the associated risks which could impact on the financial statements

- assessing the key systems of internal control, and establishing how weaknesses in these systems could impact on the financial statements

- identifying major transaction streams, balances and areas of estimation and understanding how the college will include these in the financial statements

- assessing the risks of material misstatement in the financial statements

- determining the nature, timing and extent of audit procedures necessary to provide us with sufficient audit evidence as to whether the financial statements are free of material misstatement.

18. We will give an opinion on the financial statements as to:

- whether they give a true and fair view of the state of affairs of Dundee and Angus College as at 31 July 2020 and of its income and expenditure

- whether they have been properly prepared in accordance with relevant legislation and the applicable financial reporting framework

- the regularity of income and expenditure.

Other information in the annual report

19. We also review and report on the performance report, governance statement and remuneration and staff report. We give an opinion on whether they have been prepared in accordance with the appropriate regulations and guidance. We also read and consider the other information within the annual report and are required to report any material inconsistencies.

Materiality

20. We apply the concept of materiality in planning and performing our audit. Materiality defines the maximum error that we are prepared to accept and still conclude that the financial statements present a true and fair view. It helps assist our planning of the audit and allows us to assess the impact of any potential audit adjustments on the financial statements.

21. We calculate materiality at different levels as described below. The calculated materiality values for Dundee and Angus College are set out in exhibit 3.

characteristics

responsibilities

principal activities

risks

governance arrangements

Exhibit 3
Materiality levels for the 2019/20 audit

Materiality	Amount
Planning materiality – This is the calculated figure we use in assessing the overall impact of audit adjustments on the financial statements. It has been set at 1.5% of gross expenditure based on the audited accounts for the year ended 31 July 2019.	£0.695 million
Performance materiality – This acts as a trigger point. If the aggregate of errors identified during the financial statements audit exceeds performance materiality this would indicate that further audit procedures should be considered. Using our professional judgement, we have calculated performance materiality at 65% of planning materiality.	£0.450 million
Reporting threshold – We are required to report to those charged with governance on all unadjusted misstatements more than the 'reporting threshold' amount. This has been calculated at 5% of planning materiality.	£0.035 million

Source: Audit Scotland

Timetable

22. An agreed timetable is included at exhibit 4 which takes account of submission requirements and planned Audit and Risk Committee meeting dates

Exhibit 4
Annual report and financial statements timetable

Key stage	Date
Latest submission date of unaudited annual report and accounts with complete working papers package	28 September
Latest date for final clearance meeting with management	6 November
Agreement of audited unsigned annual report and financial statements; Issue of Annual Audit Report including ISA 260 report to those charged with governance	13 November
Independent auditor's report signed	By 31 December

Internal audit

23. Auditing standards require internal and external auditors to work closely together to make best use of available audit resources. We seek to rely on the work of internal audit wherever possible and as part of our planning process we carry out an assessment of the internal audit function at audited bodies.

24. The college's internal audit function is provided by Henderson Loggie. Our assessment of the internal audit function concluded that it has sound documentation standards and reporting procedures in place and complies with the main requirements of the Public Sector Internal Audit Standards (PSIAS).

Using the work of internal audit

25. As in prior years, we plan to undertake a direct substantive testing approach to the audit of the 2019/20 annual report and accounts. Therefore, we do not require to place formal reliance on the work of internal audit for the audit of the annual report and accounts. However, we will review the internal audit reports produced during the financial year and presented to the Audit and Risk Committee.

26. To support our wider dimension audit responsibilities we plan to consider internal audit reports on the following areas:

- HR / Payroll

- Procurement

- Staff Recruitment and Retention

- National Fraud Initiative

- IT Network Arrangements / IT Strategy

27. We understand that due to the impact of Covid-19, some elements of internal audit's work may have to be delayed or deferred. However, as we are undertaking a direct substantive testing approach to the audit, this will not impact directly on our proposed audit approach.

Audit dimensions

28. Our audit is based on four audit dimensions that frame the wider scope of public sector audit requirements as shown in Exhibit 5.

Exhibit 5
Audit dimensions

Source: Code of Audit Practice

Financial management
29. Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively. We will review and report on:

- the effectiveness of the budgetary control system in communicating accurate and timely financial performance

- whether financial capacity and skills are adequate

- whether appropriate and effective arrangements for internal control and the prevention and detection of fraud and corruption have been established

- consideration of the effectiveness of the college's controls and policies in preventing procurement fraud.

Financial sustainability

30. We consider the appropriateness of the use of the going concern basis of accounting as part of the audit of the financial statements. We also comment on the college's financial sustainability. We will carry out work and conclude on the following in 2019/20:

- the effectiveness of financial planning

- the appropriateness and effectiveness of arrangements in place to address any identified funding gaps

- monitoring the arrangements put in place by the college to minimise any disruption occasioned by the UK' s withdrawal from the European Union.

Governance and transparency

31. Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision-making and transparent reporting of financial and performance information. We will assess:

- the quality and timeliness of financial and performance reporting

- whether there is effective scrutiny, challenge and transparency on the decision-making and finance and performance reports.

- whether governance arrangements are appropriate and operating effectively.

Value for money

32. Value for money refers to using resources efficiency and effectively. We will review, conclude and report on whether the college can provide evidence that it is demonstrating value for money in the use of its resources.

Impact of Covid-19

33. Throughout the course of the audit we will consider the impact of the Covid-19 coronavirus outbreak on the College's operations and report on this within our 2019/20 Annual Audit Report.

Independence and objectivity

34. Auditors appointed by the Auditor General for Scotland must comply with the Code of Audit Practice and relevant supporting guidance. When auditing financial statements auditors must also comply with professional standards issued by the Financial Reporting Council and those of the professional accountancy bodies. These standards impose stringent rules to ensure the independence and objectivity of auditors. Audit Scotland has robust arrangements in place to ensure compliance with these standards including an annual "fit and proper" declaration for all members of staff. The arrangements are overseen by the Director of Audit Services, who serves as Audit Scotland's Ethics Partner.

35. The appointed auditor for Dundee and Angus College is Richard Smith, Senior Audit Manager. Auditing and ethical standards require the appointed auditor to communicate any relationships that may affect the independence and objectivity of audit staff. We are not aware of any such relationships pertaining to the audit of the College.

Quality control

36. International Standard on Quality Control (UK and Ireland) 1 requires that a system of quality control is established, as part of financial audit procedures, to provide reasonable assurance that professional standards and regulatory and legal requirements are being complied with and that the independent auditor's report or opinion is appropriate in the circumstances.

37. The foundation of our quality framework is our Audit Guide, which incorporates the application of professional auditing, quality and ethical standards and the Code of Audit Practice issued by Audit Scotland and approved by the Auditor General for Scotland. To ensure that we achieve the required quality standards Audit Scotland conducts peer reviews and internal quality reviews. Additionally, the Institute of Chartered Accountants of Scotland (ICAS) has been engaged to carry out an annual programme of external quality reviews.

38. As part of our commitment to quality and continuous improvement, Audit Scotland will periodically seek your views on the quality of our service provision. We welcome feedback at any time and this may be directed to the appointed auditor or to Audit Scotland's Audit Quality and Appointments group.

Dundee and Angus College
Annual Audit Plan 2019/20

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AUDIT SCOTLAND

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 12 May 2020

POLICY UPDATES

Business Continuity   **PAPER K**

BUSINESS CONTINUITY POLICY

College Policy No CS05

Approved by	**Audit & Risk Committee**
Date	**May 2020**
Policy effective from	**May 2020**

BUSINESS CONTINUITY POLICY – No CS05

Prepared by:	Vice Principal – Corporate Services	Approved by:	Audit & Risk Committee	Revision Date:	Annual

Contents

BUSINESS CONTINUITY POLICY – No CS05

Prepared by:	Vice Principal – Corporate Services	Approved by:	Audit & Risk Committee	Revision Date:	Annual

1. Purpose

The Business Continuity Policy provides a framework for the effective management of the response to any major incident affecting Dundee and Angus College.

This includes providing leadership and guidance to co-ordinate the response to a major incident in the College, to minimise the effect of the incident, prepare for "business as usual" as quickly as possible and to reassure staff, students and the community that an effective process for the full restoration of all services is in place.

2. Scope

The Business Continuity Policy applies to all activities undertaken within the control of the Board of Management of Dundee and Angus College. This is primarily focused on activities which take place within the confines of the 3 main College campuses in Arbroath, Gardyne and Kingsway, along with any outreach centres currently in use. It should also be referred to if a major incident were to arise outwith the College, for instance on partner premises or during staff/student trips.

It is recognised that, for an organisation as complex as the College which operates on multiple sites and deals with a wide variety of disciplines, that fully prescriptive Business Continuity Policy and Plans are not feasible.

The Business Continuity Policy comes into effect whenever **a serious and/or sustained incident or event** (or the potential of such an incident/event) significantly threatens any valuable assets.

This Business Continuity Policy is supported by the Business Continuity Plan.

3. Business Continuity

This policy outlines the responsibilities, procedures and responses to be used by the College in the event of a disaster or major incident which threatens to or damages, destroys, or removes/limits access to critical assets. Critical assets are deemed to be staff, students and visitors, as well as premises, equipment and utilities which, if damaged or destroyed, would seriously impair the operational capabilities of the College.

A major incident is defined as any significant incident which notably impacts the ability of the College to deliver services, and disrupts the College's day to day business.

Causes of major incidents may include (but are not limited to) fire, flood, explosion, spillage, cyber attack, terrorist incident, or health scare, resulting in one or more of the following:

a) Pandemic illness such as flu or other major health issue
b) Serious injury
c) Loss of a building or major infrastructure (heating, power, water)
d) Loss of ICT (infrastructure or data)
e) Reputational Damage

4.　　Prevention

Identification, prevention and mitigation of major risks is governed by the College's risk management framework, including the Strategic Risk Register

5.　　Notification of an Incident

In the first instance in responding to any unexpected serious event, you should contact the person or organisation you judge as most appropriate to deal with the issue. The nature and seriousness of the event will dictate who the first point of contact is. In some cases, this may be the Emergency Services, in others it will be the appropriate Senior Leadership Team member for this type of situation – Head of Estates, Head of ICT Services, Head of People and Organisation Development, Campus Caretaking Team Leader.

Having reported the incident to the appropriate person or organisation you should, **if safe to do so**, take steps to prevent further harm or damage.   You should also report the incident to Principal's Office.

6.　　Business Continuity Team

Responsibility for declaring a major incident and invoking the Business Continuity Policy lies with any member of the Executive Leadership Team.

The Executive Team will, as soon as practicable following notification of a major incident, establish a Business Continuity Team. The Business Continuity Team will prepare an immediate response to the incident and oversee recovery from it.

The Business Continuity Team will ordinarily be chaired by the Vice Principal - Corporate Services and will be drawn from senior staff and others with specific expertise/input determined by the nature of the emergency.

The role of the Business Continuity Team will be to seek advice from staff and external sources and draw on their services as required in order to:

- establish the impact on operations;
- implement a recovery plan;
- manage the human aspect of the incident;
- oversee communications and information; and

BUSINESS CONTINUITY POLICY – No CS05

Prepared by:	Vice Principal – Corporate Services	Approved by:	Audit & Risk Committee	Revision Date:	Annual

- liaise with external bodies e.g. emergency services, stakeholder bodies and those who can assist managing the situation and support business continuity.

The key responsibilities to be addressed by the Business Continuity Team are as follows.

- **Life preservation**
  - Authorise, support or implement any steps necessary to safeguard others
  - Support all staff, students, and others involved
  - Manage contacts and liaison with emergency/specialist services
  - Monitor progress of recovery
  - Effective, timely communications and support to nominated emergency contacts of those affected

- **Communication & Stakeholder Engagement**
  - Provide accurate and regular updates throughout the incident, via a single nominated spokesperson.
  - Establish and manage effective and appropriate lines of communication with all appropriate external agencies and stakeholders
    Liaise with College Managers to support the co-ordination of the incident
- **Teaching**
  - Identify areas affected
  - Identify/secure alternative teaching space within/outside the College
  - Identify/secure alternative teaching methods/support/materials within/outside the College
  - Reschedule teaching to alternative times/locations/formats

- **Operations**
  - Identify all areas affected
  - Identify/secure alternative space within/outwith the College
  - Identify/secure alternative working practices/approaches within/outside the College
  - Establish alternative space and relocate staff and equipment
  - Minimise/prioritise business interruption to key College Systems

- **Recovery**
  - Liaise with the College's insurers and loss adjusters
  - Plan specialist recovery
  - Plan repair works
  - Plan re-establishment of normal operations
  - Conservation and prevention of future damage
  - Consider requirement for counselling or other specialist support services for students and staff

7. Business Continuity Management

The Business Continuity Team will meet at a location determined by the nominated chair

and will:

- Consider all available information and review the overall impact of the incident;
- implement immediate action, agreed with the emergency services, and secure the area, evacuating staff and students as necessary;
- determine the legal implications that may occur as a result of the incident;
- manage the cost of recovery including identifying and recording losses for insurance purposes;
- identify available alternative accommodation; and
- agree a communication plan for staff, students, stakeholders, community and media.

8.   Implementation

Staff named in the key contacts list will ensure that they are familiar with the content and requirements of the Business Continuity Policy and Plan and copies of this document and the key contacts list will be retained on Microsoft Teams.

Scenario exercises will be conducted at appropriate intervals to test the College's response to a range of potential major incidents, in order to identify any gaps or weaknesses in the Business Continuity Policy and Plan or ability of key personnel to respond.

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 12 May 2020

POLICY UPDATES

Gifts and Hospitality   **PAPER L**

GIFTS AND HOSPITALITY POLICY

College Policy No   **CS03**

Approved by   **Audit & Risk Committee**

Original Issue Date   **16/11/2016**

Current Issue Date   **11/05/2020**

Review Date   **11/05/2023**

This policy has been agreed following consultation with the College's trade unions.

Prepared by:	Vice Principal (Corporate Services)	Approved By:	Vice Principal (Corporate Services)

CONTENTS

Prepared by:	Vice Principal (Corporate Services)	Approved By:	Vice Principal (Corporate Services)

1   PURPOSE

- This policy sets out the College's expectations of its staff on the giving and receiving of gifts and hospitality.

- The acceptance of gifts and excessive hospitality can cause damage to the College's reputation and potentially lead to prosecution under the Bribery Act 2010. This policy seeks to protect staff from the suspicion of dishonesty and/or the perception that their decision-making may have been influenced by the acceptance or provision of gifts or hospitality. By doing so, the policy aims to ensure staff are free from any conflict of interest.

2   SCOPE

This policy applies to all College staff and to any other person working on behalf of the College (for example staff employed via an agency or on a consultancy or seconded basis).

3   POLICY PRINCIPLES

- College staff must not accept, solicit or offer any personal benefit as an inducement or reward for taking specific action or for showing favour or disfavour to any other person. This includes the acceptance or solicitation of benefits on behalf of other related parties, such as partners, spouses, other family members or colleagues.

- Personal gifts of money (or monetary instruments) should never be accepted regardless of amount.

- Charitable and sponsorship donations to the College (in cash or in kind) are outwith the scope of this policy and should be co-ordinated through the appropriate manager.

- Staff attendance at sporting, cultural or similar events at the invitation of suppliers, potential suppliers or consultants is not generally acceptable. Similarly, staff participation in social, sporting and similar activities (for example golf days or activity days) at the invitation of suppliers, potential suppliers or consultants is not generally acceptable.

- Staff must not accept gifts or hospitality or benefits of any kind if it might be perceived that their personal integrity or professionalism has been or could be compromised, or that their decisions may have been influenced, or if they or the College might be seen to be placed under an obligation.

- The guiding principle is that any gift or hospitality should be proportionate and appropriate to the circumstances in which it is offered or received. Staff should at all times avoid the risk of accepting or providing gifts or hospitality which might be perceived as immoderate, excessive or extravagant.

- Particular care should be taken when accepting a gift or hospitality from any person or organisation that has or hopes to have a contract with the College or where it might be perceived that that individual or organisation was seeking to gain advantage or influence.

- These principles notwithstanding, the College accepts that there may be circumstances where the acceptance of gifts or significant hospitality would be appropriate, or indeed where declining such gifts or hospitality could cause offence that is detrimental to the College's interests.

- Business gifts, including hospitality, may on occasion be provided by the College. This would normally be acceptable in circumstances where external or international visits take place and gifts are exchanged as a means of cementing goodwill, or as tokens of gratitude.

In this regard, gifts or hospitality should normally be of a type and value which fall within the guidance set out below.

3   ACCEPTING GIFTS

- Before accepting gifts, hospitality or other benefits and irrespective of the guidance given, staff have a personal responsibility to consider in every case whether acceptance might put them in breach of the principles outlined above. Where this is, or may be perceived to be the case, staff should politely decline.

- Staff may accept gifts of low intrinsic value (generally taken to be below £50). Any gifts above this value should on the whole be declined or returned.

  Advice on whether a gift above this value can be accepted should be sought from the Vice Principal Corporate Services. If accepted, gifts will normally be regarded as the property of the College and used or retained accordingly.

- Modest hospitality, provided it is reasonable in the circumstances, such as lunches or other meals in the course of working visits, is generally acceptable. Such hospitality should be similar to the scale of hospitality that the College would be likely to offer in similar circumstances.

- If, having previously accepted a gift or hospitality, a member of staff finds themselves in a position where a decision might be construed as having been influenced by the earlier acceptance of that gift or hospitality, the resulting conflict of interest should be declared to the Vice Principal Corporate Services as soon as possible.

4   RECORDING GIFTS

- Gifts or hospitality which exceed the amounts detailed above, or which fall outwith the above guidance should be declared and entered into the College's Register of Gifts & Hospitality by e-mailing details to giftregister@dundeeandangus.ac.uk.

- Failure to declare gifts or hospitality, or failure to include them timeously on the Register, may constitute misconduct and result in disciplinary action, particularly where acceptance or provision of such gifts or hospitality calls into question the integrity of the individual receiving or offering such gifts or hospitality or where as a result the College is brought into disrepute.

Prepared by:	Vice Principal (Corporate Services)	Approved By:	Vice Principal (Corporate Services)

5   RESPONSIBILITIES

- All staff have a personal responsibility to understand and follow the requirements of this policy. This is particularly important where staff have responsibility or influence over budget, service or other decisions that may be construed to have been influenced by the offer of a gift or hospitality.

- Responsibilities under this policy cannot be delegated or transferred to others.

6   REFERENCES

- Gifts and Hospitality Form