

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 18 May at 5.00pm
In Microsoft Teams

AGENDA

1. **WELCOME**
2. **APOLOGIES**
3. **DECLARATIONS OF INTEREST**
4. **ELECTION OF VICE CHAIR** ST
5. **MINUTE OF THE PREVIOUS MEETING –** Paper A for approval
9 March 2021
6. **MATTERS ARISING** Paper B for noting
7. **COVID-19 UPDATE** Verbal update JC/ST
8. **INTERNAL AUDIT**
 - 8.1 Budgetary Control (financial reporting) Paper C for approval HL
 - 8.2 Economic Recovery Paper D for approval HL
 - 8.3 20/21 Progress Report Paper E for noting HL
 - 8.4 Follow Up Summary Paper F for information JC
9. **EXTERNAL AUDIT PLAN** Paper G for approval AS
10. **STRATEGIC RISK & COVID REGISTERS**
 - 10.1 Risk Register Update Paper H for information ST
 - 10.2 Strategic Risk Register
 - 10.3 COVID Risk Register
11. **DATA BREACH REPORTING** Verbal Update JC
12. **DATE OF NEXT MEETING – Tuesday 21 September 2021**

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 18 May 2021



Minute of Previous Meeting – 9 March 2021

PAPER A

BOARD OF MANAGEMENT

Audit and Risk Committee Meeting

Tuesday 9 March 2021



Draft confirmed by Chair

Minute of the Audit and Risk Committee meeting held on Tuesday 9 March 2021 at 5.00pm in Microsoft Teams.

PRESENT:

G Robertson (Chair)	H Honeyman
M Williamson	M Thomson
P Milne	T Pirie
K Keay	A Wilson

IN ATTENDANCE:

- J Carnegie (Vice Principal)
- S Taylor (Vice Principal and Secretary to the Board)
- S Inglis (Henderson Loggie)
- R Smith (Audit Scotland)
- D Robertson (CISO, HRFESTIS)
- T D'All (Principal's/Board Chair PA)

1. WELCOME

G Robertson welcomed members of the Audit and Risk Committee along with Angela Wilson attending her first Audit & Risk Committee Meeting

G Robertson took the opportunity to also note this was P Milne's last meeting and passed on his thanks for her contribution to the Audit & Risk Committee over the years.

2. APOLOGIES

Apologies were received from D Archibald (Henderson Loggie).

3. DECLARATIONS OF INTEREST

G Robertson noted his role as Chair of Gardyne Theatre Limited.

4. MINUTE OF AUDIT AND RISK COMMITTEE – 8 DECEMBER 2020

The Minute of the Audit & Risk Committee meeting held on 8 December 2020 was approved as an accurate record.

5. MATTERS ARISING

There were no Matters Arising.

6. COVID-19 UPDATE

J Carnegie highlighted the focus was on the 5% of students returning on campus that week and was delighted to report good compliance with mitigation. Arrangements had been put in place to provide refreshments and lunches (challenging food poverty) to reduce the need for students to move around or leave the campus.

J Carnegie noted that Health & Safety Team members were carrying out an Induction for each group of returning staff and students.

A discussion took place around the support needs and mental health issues experienced by students.

S Taylor confirmed that work was well developed around future Scenario Planning to seek to reduce the number of deferred students and the impact on Academic Year 2021/22.

The positive work and planning outlined was welcomed by the Committee.

7. INTERNAL ADUIT

7.1 National Fraud Initiative

S Inglis summarised the scope and process followed as part of the 20/21 programme and the lessons learned. The overall Level of Assurance noted was “Good” with no recommendations.

S Inglis highlighted some smaller opportunities for improvement within the report and noted that the College had begun to progress these.

The report was approved.

7.2 System Development / Implementation

S Inglis highlighted the management summary noting the background and scope of the review of Cyber Resilience and IT Controls in place for risks surrounding homeworking. It was noted that the overall Level of Assurance noted as “Good” with 1 recommended action in progress with no recommendations.

S Inglis noted the main findings highlighting strengths following the forensic review report into the circumstances of the cyber-attack in 2020 the highlighted that the College had acted swiftly to address the key findings with seven of the eight recommendations within that report implemented immediately. The College remained on track to implement the remaining action by the July 2021 target date.

S Inglis also noted good progress had been made in implementing the recommendations relating to information and cyber security controls raised in Internal Audit report 2020/03 – IT Network Arrangements / IT Strategy, issued in April 2020, with four of the five recommendations now fully implemented.

S Inglis noted the implementation of Office 365 and the associated controls which had been enabled had improved the security of the College systems.

G Robertson took the opportunity at this time to highlight to the Committee the Cyber Security Training programme offered by the College Development Network (CDN) and the Board level responsibility. G Robertson noted that a verbal update on this would be provided to the full Board.

M Thomson highlighted the benefit of the CDN Toolkit for awareness raising amongst all Board members.

D Robertson noted that he would be happy to support a development input for Board members as required. This offer was welcomed and would be considered as part of an update session.

The audit report was approved.

7.3 20/21 Progress Report

S Inglis summarised the list of assignments planned for the 20/21 Internal Audits noting everything was on track. The update and work undertaken during the pandemic was welcomed.

7.4 Follow-Up Summary

J Carnegie said she was pleased with progress on outstanding actions.

J Carnegie noted that due to the current situation the Catering Business Review was difficult to progress now. It was unlikely that there would be any substantive reopening of the catering areas until after the Easter break and even then, it was likely remain as a limited service.

The update on progress was welcomed.

8. EXTERNAL AUDIT

R Smith stated that Audit Planning work was progressing well, and a planning meeting has been scheduled for 18 March 2021. R Smith confirmed that a draft plan would be made available to the May Audit & Risk Committee meeting with specific risks around COVID-19. R Smith noted that there was a likelihood that this year's Audit will be carried out remotely as per last year.

9. STRATEGIC & COVID RISK REGISTERS

S Taylor summarised the risk register report and proposed changes to COVID related risks as follows.

3.1 - Failure to reach aspirational standards in learning, teaching and service delivery has been increased, moving this from green to amber. This is a very fluid situation with changes by SQA in respect of holistic assessment and other developments in terms of extending delivery potentially reducing the risks again.

3.5 - Reputational Risk - possible impact on our reputation with stakeholders (especially schools, parents, and employers) due to the disproportionate impact of current COVID restrictions on senior phase and apprenticeship groups compared with those studying through schools and private training providers.

S Taylor stated that further to the Finance & Property Committee on 2 March 2021 consideration was given to changing Risk 2.2 - Failure to institutional stability due to the substantial improved financial position and the possibility of receiving further funds via the Barnett Formula. The post mitigation likelihood of this risk would reduce from 3 to 2

The Audit & Risk Committee approved the updates to the COVID Risk Register

10. INFORMATION AND CYBER SECURITY RISK

D Robertson summarised key aspects of his report on cyber security, emphasising how highly impressive the ICT Team and D & A College has responded to the cyber-attack. It was noted that this had been recognised not just within the sector, but industry wide.

D Robertson outlined the range of cyber risks reviewed and controls in place noted that the College had scored well in terms of these. It was noted that the overall outcome was that the College was scoring at a similar level to what would be expected within 'high security' service such as banking.

The detail of the report was discussed, and G Robertson asked about the 'double red' score in respect of point IS_16. D Robertson stated that this simply related to the fact this point had not been tested during the review as there was not an opportunity to do so. D Robertson stated that this had been tested by the cyber-attack itself and could be included in future critical incident scenario testing.

D Robertson noted discussions held with A Ross and others within the IT Team in terms of work being progressed to support cyber awareness and to undertake 'testing' of this amongst staff.

D Robertson stated that the openness of the College in terms of the initial attack, and work lessons learned had been immensely valuable and noted that this had contributed directly to the much lesser impact of a similar attack on UHL.

A Wilson noted that this was the most positive report of its type that she had seen and noted that credit was due to the ICT Team and College for this.

The Committee thanked D Robertson for his paper and asked that the report be shared with the Finance & Property Committee acknowledging the financial backing from the Finance & Property Committee during this time. **S Taylor to progress.**

11. AOCB

G Robertson stated that T Pirie was planning to stand down as Vice Chair of the Audit & Risk Committee but would continue as a member of the committee.

G Robertson asked if anyone interested in putting their name forward for the position of Vice Chair to send a note interest to S Taylor. Appointment of a vice chair would be included in the agenda for the next meeting **S Taylor to progress.**

12. DATE OF NEXT MEETING

Tuesday 18 May 2021 at 5.00pm

Action Point Summary
Action

	Responsibility	Date
Share the HEFESTIS Report with the Finance & Property Committee	S Taylor	12 March 2021
Vice chair appointment to be included in agenda	S Taylor	18 May 2021

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 18 May 2021



Matters Arising

PAPER B

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 18 May 2021



Matters Arising

Paper for information

The following actions were noted from the Tuesday 9 March 2021 Audit & Risk Committee meeting.

Agenda Item No	Action	Current status	Open / Closed
10.0	Share the HEFESTIS Report with the Finance & Property Committee S Taylor	This was circulated to Finance & Property Committee members on 12 March 2021	Closed
11.0	Vice chair appointment to be included in agenda S Taylor	Included on the agenda	Closed

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

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 18 May 2021



INTERNAL AUDIT

Budgetary Control (Financial Reporting)

PAPER C

Dundee & Angus Council

Budgetary Control

Audit Report No: 2021/05

Draft issued: 5 April 2021

Final issued: 13 April 2021

Final reissued: 11 May 2021

LEVEL OF ASSURANCE

Satisfactory

Contents

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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 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 organisation to minor risk or which, if addressed, will enhance efficiency and effectiveness.

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 the Dundee and Angus College ('the College') Strategic Risk Register:

Risk 1.4 - 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

Risk 2.2 - Failure to achieve institutional sustainability.

Background

As part of the Internal Audit programme at the College for 2020/21 we carried out a review of the systems in place for budgetary control, with a particular focus on financial reporting arrangements. The Audit Needs Assessment identified this as an area where risk can arise and where Internal Audit can assist in providing assurances to the Board of Management (BoM) and the Audit and Risk Committee that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

The College has Financial Regulations (April 2018) and procedures in place to support budget holders to fulfil their roles and responsibilities. Budgets are set annually, with the staffing budget collated centrally based on the resources required to deliver the agreed curriculum, and non-staffing budgets being agreed between Budget Holders, Finance staff and the Executive Team to determine an adequate overall budget position. The budget is considered by the Finance and Property Committee in advance of formal consideration and approval by the Board of Management. For financial year 2020/21, the global COVID-19 pandemic impacted on the timeline for finalising the 2020/21 budget in September 2020, and the budget was revised in November, and re-forecasted in February 2021, as the pandemic and national restrictions progressed.

Regular reports on budget variances and forecast outturn are provided to Executive, the Senior Leadership Team (SLT), and delegated budget holders by Finance. There is also regular reporting to the Finance and Property Committee and the BoM. The joint meeting of the Audit and Risk Committee and the Finance and Property Committee held in December 2020 was presented with the draft Financial Statements for the year ending 31 July 2020, prior to BoM approval.

Budgetary Control

Scope, Objectives and Overall Findings

This audit examined the College's budgetary control financial reporting arrangements and the efficiency and effectiveness of those controls. Our review examined the financial reporting in place centrally and also the arrangements within a sample of Academic Centres and Support Services.

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

Objective		Findings		
		1	2	3
The objectives of the audit were to gain reasonable assurance that:		No. of Agreed Actions		
1. Budget monitoring information is available to management in Academic Centres and Support Services which is up-to-date and in a format that can be easily understood	Satisfactory	-	-	2
2. Budget holders have the necessary skills for managing budgets	Good	-	-	-
3. Budget variations are reported and acted upon	Good	-	-	-
4. Senior management and the Board regularly review the College's overall financial position	Good	-	-	-
		-	-	2
Overall Level of Assurance	Satisfactory	System meets control objectives with some weaknesses present.		

Audit Approach

The Head of Finance, Senior Management Accountant and management accountants were interviewed and a sample of budget reports for Academic Centres and Support Services were reviewed for the periods July 2020, September 2020, November 2020, and January 2021. These reports covered the following departments and financial ledger codes:

- Strategic Funding Projects (Budget Codes 340 and 360)
- Science, Technology and Landbased (Budget Codes 120, 121, 122, 123, 131, and 132), and
- Estates (Budget Codes: 701, 711-713, 702, 721, 722, 724, 731-733, and 930).

Budget holders for these Academic Centres and Support Services were interviewed to determine current working practices in budget monitoring, and the information and training provided to budget holders.

We also reviewed the budget monitoring information provided to the College's Executive Team, Finance and Property Committee, and the Board of Management (BoM).

Summary of Main Findings

Strengths

- Financial Regulations and procedures for budget holders are in place;
- The annual budget is prepared and approved in line with the Financial Regulations;
- There was an established budget setting process in place within the College with a timetable set out to complete and approve the 2020/21 annual budget;
- There were budget reforecasts in November 2020 and February 2021 to review the budget as the actual financial position became clearer and national COVID-19 restrictions continued;
- Budget reports are provided to budget holders and to the Vice Principals monthly to allow monitoring of progress, with monthly consolidated reports provided to Executive and SLT;
- Progress against the budgets is reported and discussed at the Finance and Property Committee and the BoM;
- The budget reports provided to budget holders include both detailed and summary information. Detailed transaction reports are provided, variations are highlighted, and explanatory notes are provided in line with good practice;
- The College has appropriate level of delegation of its budget management process with 19 budget holders in place to manage the 65 live cost centres;
- Budget holders and managers advised that they had the necessary skills for managing their budgets; and
- Throughout 2020/21 the financial governance arrangements have sustained with reporting to the Finance and Property Committee and the BoM being transparent around arrangements and issues identified by management.

Opportunities

- The Financial Regulations and Guidance for budget holders require to be reviewed in order to fully align them with current working arrangements and the documents should be version controlled in line with good practice, and
- Regular budget monitoring meetings between budget holders and Finance staff have not been conducted for some time and therefore there is a need to reinstate scheduling of these meetings during 2021 to allow for effective ongoing engagement and support.

Acknowledgments

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



Main Findings and Action Plan

Objective 1: Budget monitoring information is available to management in Academic Centres and Support Services which is up-to-date and in a format that can be easily understood.

The College has documented its Financial Regulations (April 2018), and these are available on the College website. This is supported by Budget Guidance for Budget Holders (September 2017), which is available on the staff intranet.

These documents are collectively deployed to outline the standards around reporting; financial reporting and monitoring processes; roles and responsibilities of budget holders; expectations around assessing income, pay expenditure, non-pay expenditure, and non-recurrent activity; central budget arrangements; and monthly profiling.

Budgetary Control

Objective 1: Budget monitoring information is available to management in Academic centres and Support Services which is up-to-date and in a format that can be easily understood (Continued)

Observation	Risk	Recommendation	Management Response
<p>Budget Holder responsibilities are documented within the Financial Regulations (April 2018) document, which was due for review in March 2019.</p> <p>Responsibilities are also detailed within the 'Budget Guidance for Budget Holders' document. A revision of this document had begun in October 2019 but was set aside in the aftermath of the cyberattack and the COVID-19 pandemic. The Budget Guidance for Budget Holders presented for review as part of our fieldwork was in draft format and therefore requires to be finalised and published to provide clarity on the current requirements for budget holders. We also noted that the guidance document did not describe arrangements around the management of significant variances or provide a definition on what the College deems to be a significant positive or negative variance for absolute clarity.</p> <p>Since the last review of the Financial Regulations and the associated guidance document was conducted, some working arrangements have changed (such as the creation of reporting capability on Microsoft TEAMS rather than via the staff intranet) and therefore these changes require to be reflected within the current iteration of the Budget Guidance for Budget Holders.</p>	<p>Regulations and guidance are out of date impacting on budget holder understanding on arrangements and their effectiveness of budget management.</p>	<p>R1 The draft Financial Regulations and Budget Guidance for Budget Holders, provided in October 2019, should be updated to reflect current working practices and should be version controlled to confirm that management have approved the regulations in line with the agreed review timetable.</p> <p>The Budget Guidance for Budget Holders should also be amended to provide additional description around the management of significant variances, and to provide further guidance on what the College defines as a significant variance (in absolute or percentage terms).</p>	<p>Agreed.</p> <p>Agreed; further consideration will be given to add greater clarity.</p> <p>To be actioned by: VP Corporate Services / Head of Finance</p> <p>No later than: 31 August 2021</p>
			<p>Grade</p> <p>3</p>

Budgetary Control

Objective 1: Budget monitoring information is available to management in Academic Centres and Support Services which is up-to-date and in a format that can be easily understood (Continued)

Annual Budget Reporting

The process for managing budget planning is documented in the Financial Regulations (April 2018). The annual budget process links into the Regional Outcome Agreement, which is supported by Activity Plans and a budget outlining costs and revenues associated with the planned activities. The Regional Outcome Agreement and Activity Plans inform the decision-making process around the allocation of funds for the financial periods covered by the plans.

Forecasting instructions are documented within the Budget Guidance for Budget Holders (September 2017) where the risks around forecasted budgets not being met are also identified. Timelines for reporting and mid-year reforecasts are agreed with the Executive Team.

For each Budget period, it is the responsibility of the Principal and Vice Principal to ensure that appropriate arrangements are made to collate and record budget proposals supporting the Regional Outcome Agreement and other key College Strategies. The Finance and Property Committee has responsibility for the review and approval of the draft Budget and the Financial Forecast Return (FFR) before these are presented to the Board of Management (BoM) for consideration and formal approval. Post BoM approval, the FFR is submitted to the Scottish Financial Council (SFC).

The Finance Department implemented a timetable, which set out the key activities required in setting the 2020/21 annual budget for reporting to the May 2020 meeting of the Finance and Property Committee. This involved Finance representation at key management meetings and review of the budget which was drafted in line with: the College's financial strategy; SFC indicative grant and credit allocations; other income forecasts; fee income; and part time variable actuals for previous year. A part time variable lecturing template is utilised by Heads of Sector to ensure that adequate resource is identified, and all planned commercial delivery is captured. Our review confirmed that a timetable of activity was used to support the draft 2020/21 budget for May 2020 reporting and BoM approval in June 2020. It also documented key budget assumptions arising from discussions at the key management meetings using a tracker feature on the same spreadsheet. Our review of the 2020/21 annual budget planning process, against the relevant sections in the College's financial regulations, confirmed that controls identified were operationally effectively. However, due to the impact of the global COVID-19 pandemic, and postponed confirmations from the SFC, the final approval of the 2020/21 budget was not made by the BoM until September 2020. In the interim, SLT were provided with the year to July 2020 income and expenditure and draft budget for 2020/21 for planning purposes.

Further reforecasting occurred in November 2020 and February 2021 to allow review of activity and budgets to be more closely aligned with national restrictions, incorporate further clarity provided by SFC and other stakeholders, and benefit from experience to date. Despite the impact of the COVID-19 pandemic on the timelines for finalising the 2020/21 budget, our review of reporting to the BoM, the Finance and Property Committee and the Executive Team confirmed that the financial governance was in line with good practice and that the reports presented were transparent around the financial position.

External Reporting

The Annual Report and Financial Statements are prepared and reviewed, externally audited, and presented to the BoM, following approval by Finance and Property and Audit and Risk Committees. Once the BoM has approved the Annual Report and Financial Statements these are submitted to the Scottish Finance Council (SFC). Despite restrictions brought about by the COVID-19 pandemic, financial governance arrangements have been sustained with the joint meeting of the Audit and Risk Committee and Finance and Property Committee approving the financial statements in advance of formal sign off at the BoM in December 2020.

Budgetary Control

Objective 1: Budget monitoring information is available to management in Academic centres and Support Services which is up-to-date and in a format that can be easily understood (Continued).

Internal Reporting

Monthly management accounts, including the latest estimated forecast, are produced by the Senior Management Accountant and the Head of Finance, and distributed to the Executive and SLT. The most recent monthly accounts are presented to each meeting of the Finance and Property Committee and are recommended to the BoM. Material variances are identified and reported by Finance Department staff with comments added to management accounts which provide an audit trail of issues identified and any actions taken to address these issues.

Reports are produced from the SUN finance system via both the Infor Executive and Q&A reporting tools. This avoids the requirement to produce hard copy budget monitoring reports, which contributes towards the College's efforts to tackle the climate emergency. Any income received by the College is receipted into the Finance system. On a monthly basis, an extract from the Payroll system is utilised to journal payroll and part time variable pay (for each Academic Centre) into the SUN finance system. This includes adjustments made by the College's Management Accounting team for prepayments or accruals to ensure that income and expenditure is appropriately matched against the period and cost centre to which it relates.

The P2P Purchasing System has a direct interface with the SUN Finance system. P2P is the College's electronic purchase to pay system, which is utilised to manage procurement activity (primarily goods and services expenditure). P2P provides the College with a more secure approach, with control enhanced through the use of system access controls which limit the raising and approval of purchase orders (POs) to those with an approved role in the process and in line with the College's scheme of delegated authority. Our walkthrough of the delegated authority hierarchy on the P2P system noted one code structure error (Code 121) which was promptly corrected by management during our audit fieldwork. The risk associated with this issue was immaterial due the fact that no expenditure had been posted against this cost code during the period under review since the system has been rebuilt following the cyberattack last year. Any items raised on P2P that have been approved, but where the invoice had still to be received, are accrued in the management accounts and are reflected in the monthly budget holder reports.

All cost centres have budget holders assigned as per the hierarchy tree managed by the Finance Department. There are 65 budget codes split across the Principal and three Vice Principals; for Curriculum and Attainment, People and Performance, and Corporate Services. There are two Management Accountants aligned to the Academic and Support Services, allowing continuity in the support provided on budget holders. The Management Accountants manage their own documented schedule to support monthly reporting activities. Monthly budget reports are produced and disseminated to the 19 budget holders across the Academic Centres, Support Services, Corporate Services (Executive and Board of Management), and strategic funding projects (such as the Energy Skills Partnership). Reports are targeted to be published via Microsoft TEAMS by the 12th working day (generally found to be the 14th or 15th) of each successive month for academic reports, and somewhat earlier (usually by the 10th day of the month) for support areas. The Management Accountants monitor the profiled budgeted income/expenditure levels against actuals, with due cognisance given to the annual budget or forecast and actual spend from the previous year. Any issues or movements made are captured in "notes" section of the reports. Detailed transaction level reports for pay and non-pay are also made available as part of the monthly reporting package.

Budget holders are provided with a budget report in each month of the year with the exception of August. Good practice budget reporting should ensure that monthly reports are provided on a timely basis, are accurate, and that budget holders meet with management accountants to discuss any issues identified. Our review highlighted no issues in relation to the timeliness of reporting to budget holders and we confirmed that reports were provided in line with the scheduling

Budgetary Control

noted above. Our walk through of the reports provided via Microsoft TEAMS highlighted that the Executive Team reports are locked and that an audit trail is maintained around who has accessed the document.

Objective 1: Budget monitoring information is available to management in Academic centres and Support Services which is up-to-date and in a format that can be easily understood. (Continued)

Management reported that there are restrictions around when the Academic Centre budget monitoring reports can be produced and distributed, because accurate reporting is dependent on the part time variable pay being processed around the end of the second week each month. Where there is no part time variable pay (such as cost centres within Support Services), the reports can be distributed earlier. Our discussions with budget holders highlighted that while they receive reports which reflect committed expenditure, the timing of receipt of the monthly management reports can impact on their oversight of the status of the budget and there is currently no facility for real time reporting. Finance management highlighted that this is being reviewed and conversations with ICT are already underway to explore alternative methods of reporting, initially at high level to SLT.

Observation	Risk	Recommendation	Management Response
On review highlighted that budget holder meetings with Finance staff have not occurred for some time, mainly due to management prioritisation due to the global COVID-19 pandemic, with dialogue around issues conducted via email.	Timely review of budgets and agreement of corrections when issues are identified.	R2 The recurring meetings between the relevant Management Accountant and budget holders should be reinstated and a formal meeting schedule should be established.	Agreed; regular dialogue with key budget holders has continued, albeit less formally, with ad hoc conversations with others as necessary, taking due cognisance of other budget holder priorities during the pandemic. A more formal approach is desirable again and will be reinstated when possible.
The restoration of meetings between the relevant Management Accountant and budget holders would provide a platform for issues to be raised and solutions sought. Some issues were highlighted by budget holder regarding a perceived lack of clarity understanding the timeframes for the annual budget planning and the timing of receipt of monthly budget monitoring reporting reports.		Where management meetings cannot occur, Management Accountants should follow up the distribution of reports to ensure that a) the reports have been viewed by the budget holder and b) confirm directly with the budget holder whether there are any issues they wish to discuss.	Further consideration will be given to follow up engagement where this is deemed proportionate and budget holders will be reminded that they have a responsibility to take appropriate action upon receipt of their reports, particularly when these contain prompts inserted by the Management Accountants.
Similarly, Finance reported that on review of reports on Microsoft TEAMS, they can identify budget monitoring			To be actioned by: Head of Finance/Senior Management Accountant No later than: 30 September 2021

Budgetary Control

reports which have not been accessed by budget holders.			Grade	3
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Objective 1: Budget monitoring information is available to management in Academic centres and Support Services which is up-to-date and in a format that can be easily understood. (Continued)

Monthly report Format

Consolidated budget reports are provided in Excel format and show, by cost centre, the staff, goods and services expenditure and income received. For each category, the following information is provided:

- Income
- Pay costs
- Non-pay costs
- Prior year actual, Year to date actual, variance against year-to-date budget, full year budget and projected end of year position.

We reviewed the reporting of cost centre codes aligned to one Academic Sector (Science, Technology and Landbased) and also for Estates and noted that all reports adopted a consistent format and variances were highlighted with additional narrative provided in a “notes” column in line with good practice. The reports were easy to follow and were supported by detailed transaction reports.

Monthly reports to the Energy Skills Partnership (ESP) were also reviewed. They also receive support from the College’s Management Accounting team and are provided with bespoke reports for each project that has been provided with a discrete account or project code. As income is aligned to each project, only the previous year balance, cumulative balance, previous income and expenditure and this year’s income and expenditure is presented where this does not impact upon College income and expenditure. Transaction reports for are also provided. ESP also utilise their own financial management spreadsheets to monitor ongoing tracking of actual spend and utilise the monthly reports produced to support their own reporting requirements. ESP reporting forms part of the wider College management accounts and is reported through the College’s governance framework in line with the College’s designated cost centre.

Internal Reporting - Consolidated College Monthly reports and Management Accounts

Overview reports, for both Academic and Support, are published for the Principal and Vice Principals, drawing together and consolidating income and expenditure from each area under their control. Established pay and variable lecturing pay comparisons are also published monthly as soon as practical, ahead of Management Accounts. These report, at summary level, actual activity by category against forecast and highlight variances along with any forecast revision or major risks as appropriate, for consideration by SLT as a standing agenda item each month.. The most recent Management Accounts are submitted to the Finance and Property Committee and at each BoM Board meeting a financial report, including the current budget position, is tabled.

Budgetary Control

Objective 2: Budget holders have the necessary skills for managing budgets.

Training is provided for budget holders by Finance staff whenever a training need is identified. However, the last formal training provided was several years ago. This is a known gap which has already been identified by Finance management who had planned to address the training gap, particularly for new budget holders, during 2020. However, this training could not take place due to management reprioritisation during the COVID-19 pandemic and the periods of lockdown.

As a result, we were advised that Finance management intend to address training needs for delegated budgeted holders during financial year 2021/22. All budget holders interviewed confirmed that they feel that they have the relevant skills, were involved in recent P2P system training, and can approach the Finance Department if they require any additional advice or support. No further issues were noted from this review.

Objective 3: Budget variations are reported and acted upon.

Documented guidance permits that with certain restrictions, over or under spends against budget/forecast may occur at account level provided overall expenditure categories are not exceeded.

As noted under Objectives 1 and 2 above, monitoring reports are provided to budget holders which highlight variances. From our discussions with budget holders, they identify specific items for follow-up, or Finance may identify these and raised directly with budget holders and managers (particularly if these are large amounts). Explanatory narrative is provided on financial monitoring reports via the Notes section. It was noted that the definition of a material variance should be described in guidance to budget holders for clarity and brought into the recommendations for the update of documents in Objective 1.

Staff advised that they seek to understand the reason for variances and consider whether specific corrective action is required to be undertaken. No issues were noted from this review.

Objective 4: Senior management and the Board regularly review the College's overall financial position.

As noted above, under Objective 1, the annual budget is developed in April each year and is routinely presented to the May meeting of the Finance and Property Committee and is then subsequently presented to the June meeting of the Board of Management. While the timing of finalisation of the 2020/21 annual budget was impacted by the global COVID-19 pandemic, reporting to the BoM and the Finance and Property Committee was maintained and was transparent throughout.

Financial governance arrangements established were in line with good practice. Management accounts are prepared monthly for the Executive Team, and the latest monthly management accounts are provided to each standard Finance and Property Committee meeting and the BoM. Management accounts provide income and expenditure reports which detail income (SFC and other income); Pay and Non-Pay Costs; and the cash-backed surplus/deficit.

Quarterly, the management accounts are supplemented with additional reviews on income and expenditure and a high-level cash flow summary. Mitigation actions were presented and a review against the last risk report (October 2020), noted movement in actions reported. No issues were noted from our review of this quarterly reporting.

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BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 18 May 2021



INTERNAL AUDIT

Economic Recovery

PAPER D

Dundee & Angus Council

Economic Development

Audit Report No: 2021/06

Draft issued: 11 May 2021

Final issued: 12 May 2021

LEVEL OF ASSURANCE	Good
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Contents

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Section 2	Main Findings and Action Plan 4 - 10

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 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 organisation to minor risk or which, if addressed, will enhance efficiency and effectiveness.

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 and Angus College ('the College') Strategic Risk Register:

Risk 1.1 - Failure of College strategy to meet the needs of the D&A Region and/or national priorities (eg Employability, DYW, attainment, articulation)

Risk 1.2 - College may be disadvantaged by changes to either UK or Scottish Government policies

Risk 1.3 - College disadvantaged by changes arising from UK leaving European Union

Risk 1.4 - 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

Risk 2.1 - Change in SFC Funding Methodology and Allocation – Reduction in Funding

Risk 2.2 - Failure to achieve institutional sustainability.

Background

As part of the Internal Audit programme at the College for 2020/21 we carried out a review of the key risks in relation to the College's activities being developed to support the Tayside Region's economic recovery following the COVID-19 lockdown. The Audit Needs Assessment identified this as an area where risk can arise and where Internal Audit can assist in providing assurances to the Board of Management (BoM) and the Audit and Risk Committee that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

Scope, Objectives and Overall Findings

This audit examined the curriculum portfolio planning and partnership activity progressing within the College to support economic recovery, in order to maximise any opportunities that may arise to support post-COVID-19 economic recovery.

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

Objective	Findings			
		1	2	3
The objectives of the audit were to gain reasonable assurance that:		No. of Agreed Actions		
1. An effective strategic and operational process has been established, including identification of market intelligence to identify skills gaps and upskilling requirements to support key post-COVID-19 market opportunities, and particular areas where the College can help support economic recovery.	Good	-	-	-
2. An appropriate management and support structure has been put in place to identify, develop or revise and promote learning/skills programmes that map to economic recovery opportunities	Good	-	-	-
3. The College seeks opportunities to work with key partners to encourage a cohesive economic recovery response for the Region	Good	-	-	-
4. An effective process is in place to maximise the benefit of new initiatives and new or additional funding streams	Good	-	-	-
5. There is regular review of activities by the Board of Management and its committees	Satisfactory	-	-	1
		-	-	1
Overall Level of Assurance	Good	System meets control objectives.		

Audit Approach

The Principal; the Vice Principal Corporate Services; the Vice Principal Curriculum and Attainment; and the Economics Partnership Manager were interviewed, and relevant plans and approaches were reviewed, in order to understand the role which the College is playing in the economic recovery of the Tayside area. In addition, we interviewed two key external strategic advisors who are currently working with the College to deliver key strategic activity which will support economic recovery and growth.

Summary of Main Findings

Strengths

- The strategic approach to economic recovery brings together a number of strands and the college has been proactive in engaging in opportunities to play an active part in the economic recovery (and economic growth) of the Tayside region;
- The gathering of market intelligence is supported through involvement in the Employment Support Group;
- Curriculum planning has been driven by the analysis of the available SDS skills assessment data for each of the sectors, and the analysis of competitors and areas of likely demand;
- The College has been a key partner in the development of business cases to take forward specific projects within the Tay Cities deal;
- The College plays an active role in both the Dundee and the Angus Employability Partnerships;
- The recruitment of the Economics Partnership Manager is a key appointment in centralising and managing market intelligence;
- The Vice Principal Curriculum and Attainment has continued to build on the existing modern apprenticeship places which the College delivers;
- The College has secured external support on the Tay Cities Deal Projects and the Michelin Scotland Innovation Parc (MSIP) joint venture;
- The College's involvement in the MSIP will play a key role in shaping the College's role in tackling the climate change emergency in the future. This activity links into the work which the College is progressing with Transport Scotland and other partners, such as Dundee City Council, around Low Carbon Emission Zones;
- The Tayside Region has now been selected to further develop the ideas generated through the Economic Growth Seminar in order to firm up timelines and a more formalised plan which will help the SFC to shape the Regional Outcome Agreement going forward, with the College playing a pivotal leadership role;
- The College has acted proactively to engage with SFC to develop initiatives with a focus around Microcredentials which had been identified as a growth area through collaborative discussions with both universities in Dundee; and
- Moving forward, the College will be proposing to the Board that a project lead approach through the application of a standardised project management methodology and with resource made available in a programme management office (PMO) to ensure that the outcomes and outputs envisaged at the business case stage are realised and sustained

Opportunities for improvement

- Consideration should be given to the development of a standard reporting format which will capture the status of each of the strands of the economic growth and recovery initiatives ongoing within the College.

Acknowledgments

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

Main Findings and Action Plan

Objective 1: An effective strategic and operational process has been established, including identification of market intelligence to identify skills gaps and upskilling requirements to support key post-COVID-19 market opportunities, and particular areas where the College can help support economic recovery.

The strategic approach to economic recovery brings together a number of strands as follows:

- Modern and Pathway Apprenticeships;
- Flexible Workforce Development Fund (FWDF)
- Skills development and retraining under the National Transition Training Fund (NTPF) and the Young Person's Guarantee (YPG);
- Strategic projects to be delivered as part of the Tay Cities Deal;
- The Michelin Scotland Innovation Parc (MSIP) Ltd joint venture; and
- Employability Partnerships.

The gathering of market intelligence is supported through involvement in the Employment Support Group, which was developed by the Skills for Growth Team within Skills Development Scotland.

From a curriculum perspective, the analysis of the available SDS skills assessment data for each of the sectors, and the analysis of competitors and likely demand, have allowed a picture to be developed which allows the identification of opportunities for the development of new learning opportunities or the revision of existing learning/skills programmes in order to meet the needs of the marketplace moving forward.

Using new market research to better understand the new needs and challenges of businesses as they look to build back has influenced the FWDF offering. The College has used market research to adapt its offering to suit the needs of employers with the addition of training such as digital, digitisation of processes, human leadership, change management, mental health first aid.

Economic Recovery

Objective 1: An effective strategic and operational process has been established, including identification of market intelligence to identify skills gaps and upskilling requirements to support key post-COVID-19 market opportunities, and particular areas where the College can help support economic recovery. (Continued)

The College has been a key partner in the development of business cases to take forward specific projects within the Tay Cities Deal. This includes specific activity on the development of an Advanced Manufacturing Centre in Arbroath, an SME skills project, and a Biotech project. These projects are focused on inspiration and upskilling with linkages to the work around apprenticeships, FWDF and the NTTP.

The College plays an active role in the Dundee Employability Partnership, with the Principal now chairing this group, and the Vice Principal Curriculum and Attainment also a member. The Vice Principal Curriculum and Attainment is also a member of the recently reformed Angus Employability Partnership and the College has been contracted to provide five Service Design Academy events in Angus which will allow information sharing between key stakeholders includes SDS, Developing Young Workforce (DYW), Education, Community Learning and Development , community engagement and local employers.

Economic Recovery

Objective 2: Appropriate management and support structure has been put in place to identify, develop or revise and promote learning/skills programmes that map to economic recovery opportunities

The recruitment of the Economics Partnership Manager is a key appointment in centralising and managing market intelligence; using this information to drive interaction with the marketplace; leading on several key development projects such as the FWDF and the Tay Cities SME project; and raising awareness around the role which the College can play in meeting identified need and delivering growth and economic recovery.

In addition, the Vice Principal Curriculum and Attainment has continued to build on the existing modern apprenticeship places which the College delivers. This is driven through a network of Sector Development Leads who operate as the link between the College and employers in the following areas:

- Business, Education and Access;
- Care, Sport and Social Science;
- Creative, Cultural and Digital; and
- Science, Technology and Land-based.

We were advised that work is already underway to examine the mechanisms which will ensure an effective two-way flow of information and intelligence between the Economics Partnership Manager and each of the curriculum disciplines.

The College has secured external support on the Tay Cities Deal Projects and the MSIP joint venture in the shape of the former Principal of the College, and through the part time secondment of the Director of the Energy Skills Partnership. This input is designed to support the existing senior management cohort in developing and delivering the business cases for key projects which will promote learning/skills programmes and allow the College to grasp economic recovery opportunities. Both of these external advisors have been pivotal in moving forward the MSIP Skills Academy, with specific input provided around business modelling and work with the curriculum and estates teams around curriculum planning and facilities.

The driver for the MSIP joint venture is around the development of the workforce required for companies moving into the innovation park. The creation of the MSIP Skills Academy is viewed as a key selling point in attracting companies to invest in setting up within the MSIP because this will provide an onsite skills academy offering; access to graduate placements; and support for recruitment, spanning the full spectrum from school engagement through to doctoral learning programmes. The MSIP Skills academy is scheduled to open in September 2021, with a curriculum focused around “sustainable movement”. This will involve the manufacturing of advanced battery technology, low carbon transport, wind turbine technology, hydraulics and pneumatics, hydrogen technology, and the digital skills required to support these industries.

The Senior Academic Leadership Team (SALT), which includes the Academic Partnership Manager and the Sector Heads, has conducted an exercise to examine the curriculum offering. This informed the creation of a suite of ‘Getting Ready’ tailored courses which are designed to help prepare for College, for further study, or for employment, with support provided.

Economic Recovery

Objective 3: The College seeks opportunities to work with key partners to encourage a cohesive economic recovery response for the Region

The College is the fundholder and key beneficiary of the Tay Cities Colleges Collaboration, under the banner of the Tay Cities Deal, which brings together the College together in collaboration with Perth College UHI, Fife College, Angus Training Group, Perth and Kinross Council, Dundee & Angus Chamber of Commerce, Business Gateway, the Federation of Small Businesses and other industry partners.

The College currently works in partnership with Dundee City Council, Angus Council and the High School of Dundee to deliver 11 of the 12 available Foundation apprenticeship frameworks. In addition, the College also has a contract with Aberdeenshire Council to deliver Foundation Apprenticeships in the south of the Shire. The College has developed strong partnerships with Dundee City Council and Angus Council, with a specific focus around ensuring work-based learning opportunities for all school pupils.

The College works with levy payers as part of the delivery of the Flexible Workforce Development Fund. As a result of the COVID-19 pandemic this fund was increased to £608K in 2020/21 with an additional fund for SMEs of £157K being allocated by SFC to support businesses to upskill/reskill to support businesses' economic viability. This fund will continue to be made available in 2021/22; albeit that the precise funding allocation is as yet unknown.

The College's partnership with SDS for pathway apprenticeships commenced in January 2021 and the College also has a contract with Energy Skills Scotland. The College is one of only two Scottish colleges participating in the Construction Pathway Apprenticeship pathway in academic year 2020/21. This is an industry-led initiative which was developed in collaboration with trade federations arising from a task force developed around a response to the COVID-19 pandemic.

As highlighted under objective 1, above, the Economics Partnership Manager is a member of the Employment Support Group and also sits on the Enterprise and Fair Work Committee, which includes representation from Third sector organisations, Dundee City Council, the University of Dundee, the University of Abertay and Dundee & Angus Chamber of Commerce. The purpose of this committee is to allow shared learning through collaborative discussion around specific topics, such as Digital Skills.

The College is also represented on the Partnership Action for Continuing Employment (PACE) Group, with a specific focus on redundancies in the Dundee and Angus local area and identifying the role which the College can play in assisting with reskilling pathways into further learning.

As highlighted under objective 2, above, the College's involvement in the MSIP will play a key role in shaping the College's role in tackling the climate change emergency in the future. This activity links into the work which the College is progressing with Transport Scotland and other partners, such as Dundee City Council, around Low Carbon Emission Zones.

Objective 4: An effective process is in place to maximise the benefit of new initiatives and new or additional funding streams

In October 2020, a pilot scheme was launched to explore the role of regional colleges in regenerating economic growth and economic recovery. The College was proactive in responding to the request to engage in the pilot exercise and partnered with Perth College UHI to respond. This was seen as a logical step by College senior management given the linkages between the two Colleges in delivering aspects of the Tay Cities Deal. In November 2020, an Economic Growth Seminar was held, involving key players from SDS, local authority partners, and Business Gateway, with a specific focus around education, skills and training. This seminar allowed the participants to explore how partner organisations could support local authorities in delivering their economic recovery plans. The deep-dive discussion was informed by the responses provided to a questionnaire around the role of the College and the priorities for supporting economic recovery and growth. The outcomes of this session allowed the development of a model which has now been fed back to the Scottish Government by the group of consultants leading the pilot exercise. The Tayside Region has now been selected to further develop the ideas generated through the Economic Growth Seminar in order to firm up timelines and a more formalised plan which will help the SFC to shape the Regional Outcome Agreement going forward. A proposal has been developed on how to take this forward and this will be considered by the SFC Board in due course.

The outline business case for the SME Skills project has now been prepared and will be submitted for consideration by the Programme Management Office within the Tay Cities Deal, in advance of consideration by the Joint Committee for the Tay Cities Deal and then ultimately the Scottish Government. The focus for this project is around the employment of two Skills Advisors posts, which will work with companies over the next ten years to develop relationships which it is hoped will sustain continued engagement around skills and learning between SMEs and the College going forward. The Tay Cities SMEs Skills project will complement the work of advisors involved in the delivery of the FWDF.

In December 2020, the Scottish Funding Council (SFC) approached all Scottish Colleges seeking ideas for new initiatives which would connect into the NTTP and YPG funding available from the Scottish Government. The College acted proactively to engage with SFC to develop initiatives with a focus around Microcredentials which had been identified as a growth area through collaborative discussions with both universities in Dundee. This has been developed into an online digital offering with a range of free 12-week courses offered across three strands of Digital, Care and Management. These courses are allocated credits against the NYPG and NTTP. The Economics Partnership Manager has played a key role in promoting these new opportunities and raising awareness with local employers.

As highlighted above, the College is also working in partnership with Angus Council in developing the Advanced Manufacturing Centre in Arbroath, which will be aligned with the MSIP, and is also due to open by September 2021. This project is funded primarily through the Tay Cities Deal, with some additional funding accessed through the SSE/Seagreen funding programme.

The Biotech project has been in gestation for some time with the University of Dundee playing a key role in applying for funding to develop a Biotechnology Centre. In order to address issues around local growth the College is now a key partner in developing capacity to train technicians for the biotech industry. The University of Dundee remains a key partner in creating access to biotech companies around placements. In addition, the development of the Business Justification Case has involved discussion with NHS Scotland, the James Hutton Institute and a number of biotech companies based in Fife. The key to these partnerships is around developing a College curriculum which is designed to provide the practical skills which biotech companies require.

Economic Recovery

Objective 4: An effective process is in place to maximise the benefit of new initiatives and new or additional funding streams (continued)

Moving forward, the College intends to propose to the Board that it takes a much more project lead approach through the application of a standardised project management methodology and with resource made available in a programme management office (PMO) to ensure that the outcomes and outputs envisaged at the business case stage are realised and sustained. This work will be supported by curriculum teams and with input provided, as required, from support functions such as Estates, ICT, Business Development and Finance.

Economic Recovery

Objective 5: There is regular review of activities by the Board of Management and its committees

Observation	Risk	Recommendation	Management Response
<p>The Principal provides an update on key strategic initiatives to the Board, and reports are submitted to both the Finance and Property Committee and the Learning, Teaching and Quality Committee to ensure that the Board are informed of developments which will impact on the financial position of the College and/or the curriculum offering. As these projects' business cases develop, and are presented to the College Board for approval, due to the scale and complexity of the number of initiatives which are ongoing merits specific reporting in order to ensure that the Board is sighted on the status of each of these initiatives and have a clear understanding of the risks and opportunities associated with each initiative.</p> <p>As the initiatives progress, we would envisage these reports developing from project update reports into ongoing delivery reports to allow reporting on the extent to which each of the initiatives is delivering growth and economic recovery. It is our view that this reporting will be useful for senior management and the Board, as well as external stakeholders such as SFC, Education Scotland and Scottish Government.</p>	<p>Board members, and other stakeholders, may not have a clear understanding of the range and complexity of the economic growth and recovery initiatives which the College is involved in and the impact which these initiatives are delivering</p>	<p>R1 Consideration should be given to the development of a standard reporting format which will capture the status of each of the strands of the economic growth and recovery initiatives ongoing within the College and will allow these various initiatives to be tracked through implementation to ongoing delivery and achievement of anticipated outcomes and outputs.</p>	<p>Agreed:</p> <p>As these projects, particularly MSIP and Tay Cities Deal, move from the business case stage to approval by the various internal and external Boards they will be specifically reported on. Where it is appropriate, a standard reporting style will be used.</p> <p>To be actioned by: Individual Project Leads</p> <p>No later than: 31 October 2021</p>
			<p>Grade</p> <p>3</p>

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BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 18 May 2021



INTERNAL AUDIT

20/21 Progress Report

PAPER E

Dundee & Angus Council

Internal Audit Programme Report
2020/21 Annual Plan

18 May 2021

Now, for tomorrow

Internal Audit Progress Report

May 2021

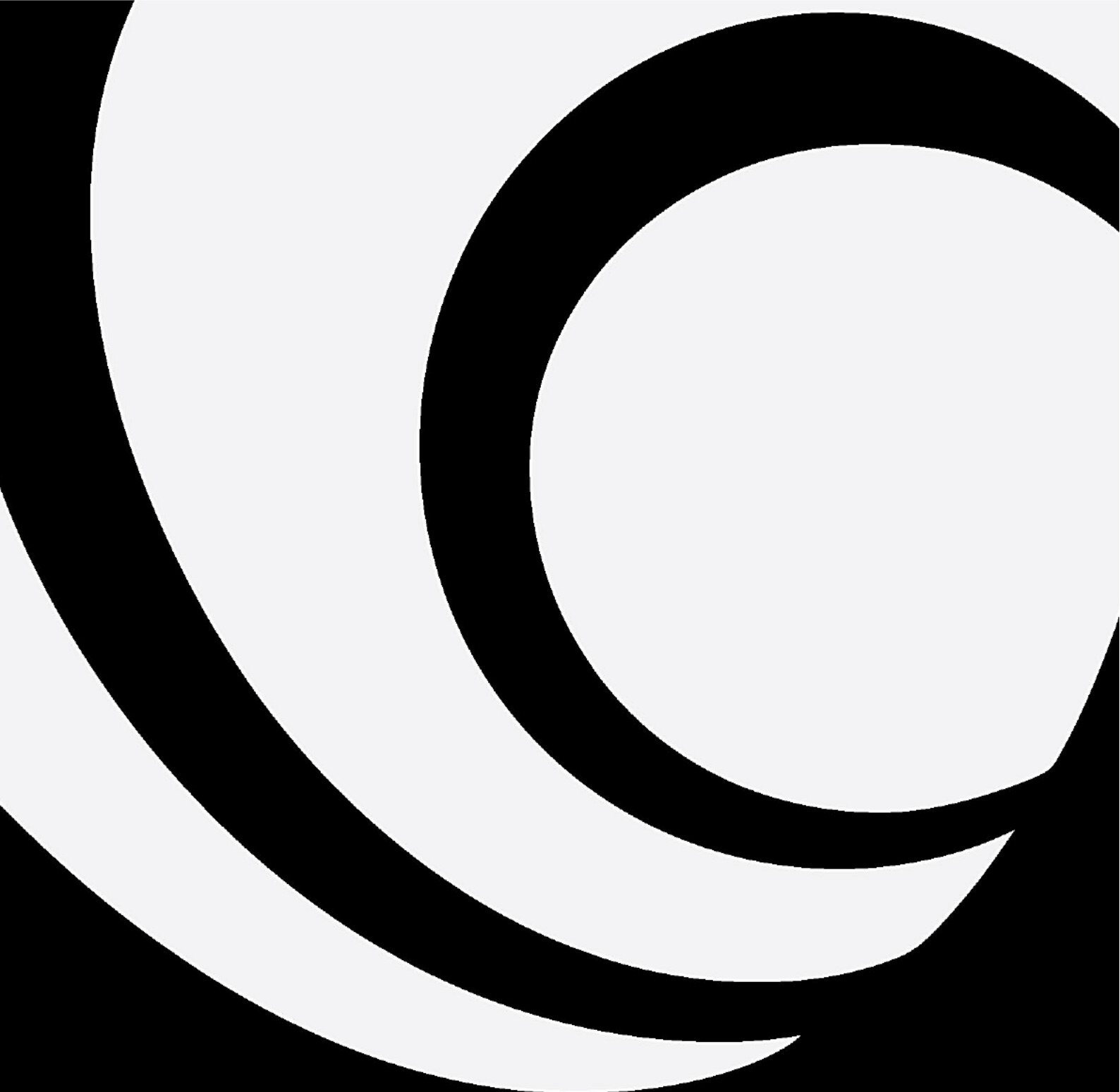
Progress made in delivering the annual plan for 2020/21, approved in September 2020, is shown below.

Audit Area	Planned reporting date	Report status	Report Number	Overall Conclusion	Audit and Risk Committee	Comments
Annual Plan 2020/21	September 2020	Draft - 24/07/20 2 nd Draft - 07/09/20 Final - 22/09/20	2021/01	N/A	22/09/20	
Health, Safety and Wellbeing	September 2020	Draft - 11/09/20 Final - 14/09/20	2021/02	Good	22/09/20	
Budgetary Control (financial reporting)	May 2021	Draft - 05/04/21 Final - 13/04/21 Final reissued - 11/05/21	2021/05	Satisfactory	18/05/21	
National Fraud Initiative	March 2021	Draft - 02/03/21 Final - 02/03/21	2021/04	Good	09/03/21	
Economic Recovery	May 2021	Draft - 11/05/21 Final - 12/05/21	2021/06	Good	18/05/21	
Systems Development / Implementation	March 2021	Draft 28/02/21 Final 01/03/21	2021/03	Good	09/03/21	
Follow Up Reviews	September 2021					Fieldwork proposed for w/c 26/07/21

Audit Area	Planned reporting date	Report status	Report Number	Overall Conclusion	Audit and Risk Committee	Comments
Credits audit	November 2021					Fieldwork proposed for w/c 30/08/21
Bursary, childcare and hardship funds	November 2021					Fieldwork proposed for w/c 06/09/21
EMA audit	November 2021					Fieldwork proposed for w/c 06/09/21

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 18 May 2021



INTERNAL AUDIT

Follow Up Summary

PAPER F

BOARD OF MANAGEMENT



Audit & Risk Committee

Tuesday 18 May 2021

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.

The report also includes other related updates.

2. Recommendations

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

3. Background

The following provides a summary of the progress of actions since the March 2021 meeting.

		Number of Actions Outstanding (& Priority Grades)		
Audit Area	Report Grades	1	2	3
Student Engagement/Students' Association	Good	-	-	1
IT Network Arrangement / IT Strategy	Satisfactory	-	-	1
Payroll & HR	Good			1
Total		-	-	3



Complete or on target to complete

Behind schedule by < 3 months from original deadline

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

Of the 3 outstanding actions, since the last Audit & Risk Committee, good progress has been made:

- 1 is Complete
- 2 are behind schedule >3 months (as highlighted at the March 2021 Committee)

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

4. Cyber Incident

The following provides a summary of the progress on the recommendations from the Cyber Incident that affected the college in January 2020.

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 be shared wider.

As was reported to the March Committee, there are 2 (of 12) outstanding recommendations:

- one has moved into options appraisal stage
- one is a significant and long term project and will take a number of years to progress to completion



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 in place, however as reported to the May/September/December/March meetings there is an ongoing requirement for physical distancing. The catering function has reopened with a limited service for the “restricted blended” number of students and staff who have returned to campus. It continues to be unlikely that work on progressing the review will take place in this academic year.

6. Fraud Initiative Update

Our second biannual (every 2 years) data-matching exercise was reported to the last Committee.

There have been no further workshops on the delivery of the revised Fraud, Bribery and Corruption policy. These will be scheduled for later in the 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

Outstanding Action Update

Appendix 1

Year	Audit Area Report Title	Priority Action Grade	Report Grade	Action	Responsible Officer	Deadline	Progress (as at May 2021)
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 Dec-20 Aug-21	<u>Behind Schedule</u> Draft strategy document developed in line with original timescale by LE Manager for final discussion/approval. As agreed at December 2020's Committee meeting this will not be finalised until 'post Covid-19' learning and study arrangements are clearer.
2020/03	R3 - Network Arrangements / IT Strategy	3	Satisfactory	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 <u>through</u> formal analysis of the section on information security within the Digital Skills Capability Assessment. Those areas of the College which	Learning & Digital Resource Manager	Jun-20 Jun-21	<u>Behind Schedule</u> Updated Digital Skills Capability Assessment has been developed. This has been included in the Learn@D&A Induction and also forms part of the new suite of Getting Ready for College courses that will be offered to new students. A staff version is also being developed, again this will be included in the

Year	Audit Area Report Title	Priority Action Grade	Report Grade	Action	Responsible Officer	Deadline	Progress (as at May 2021)
				routinely feature in security reports (or achieve the lowest feedback from information security questionnaires) should be targeted and prioritised for further training.			staff induction process and offered out to staff on an agreed development cycle.
2020/04	R1 – Payroll & HR	3	Good	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	Head of Finance	Aug 20 Dec 20 March 21	<u>Complete</u> Guidance notes completed and tested on non-payroll staff. Will be subject to limited updating as we progress through Payroll/HR iTrent integration project.

SENSITIVE AND CONFIDENTIAL: NOT TO BE SHARED WIDER

Recommendation	Technical Detail/Progress Update	Deadline	Progress (as at May 2021)
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Subsequent to the report to the Board, additional recommendations were made by Jisc which are shown below and which will be progressed and reported upon in the same way.

Recommendation	Technical Detail/Progress Update	Deadline	Progress (as at May 2021)
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]		[REDACTED]

Recommendation	Technical Detail/Progress Update	Deadline	Progress (as at May 2021)
	<div data-bbox="667 225 813 268" style="background-color: black; width: 65px; height: 27px;"></div>		<div data-bbox="1760 225 2101 422" style="background-color: black; width: 152px; height: 124px;"></div>

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 18 May 2021



External Audit Plan

PAPER G

Dundee and Angus College

Annual Audit Plan 2020/21



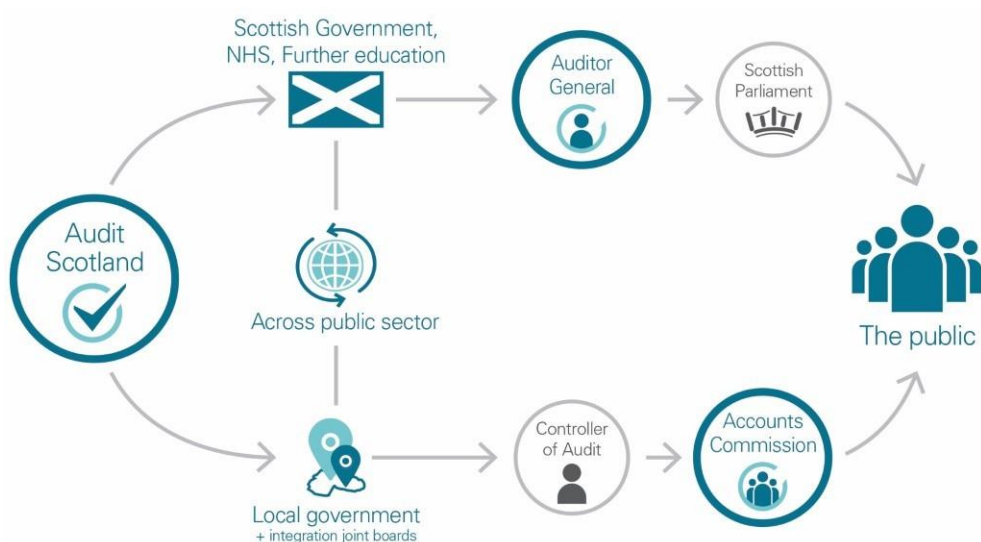
 AUDIT SCOTLAND

Prepared for Dundee and Angus College
April 2021

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.

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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 2020/21 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.

Impact of Covid-19 on public audit

3. The public health crisis caused by the Covid-19 pandemic has had a significant and profound effect on every aspect of Scottish society. Public services have been drastically affected, requiring immediate changes to the way they are provided. The impact on public finances has been unprecedented, which has necessitated both the Scottish and UK governments providing substantial additional funding for public services as well as support for individuals, businesses and the economy. It is likely that further financial measures will be needed and that the effects will be felt well into the future.

4. Public audit has an important contribution to the recovery and renewal of public services. The Auditor General and Audit Scotland are responding to the risks to public services and finances from Covid-19 across the full range of audit work including annual audits and the programme of performance audits. A January 2021 paper, [Covid-19: What it means for public audit in Scotland update](#), restates the principles and approach we are taking following the reintroduction of significant restrictions in Scotland.

5. Audit Scotland is unable to meet all the audit timetables which were possible before Covid-19, but we will aim to conclude each audit as early as possible. The well-being of audit teams and the delivery of high-quality audits remain paramount. Maintaining a flexible and pragmatic approach will enable change at short notice as new issues emerge, or current risks change in significance. Where this impacts on annual audits, revisions to this annual audit plan may be necessary.

Adding value


6. We aim to add value to the College through our external audit work by being constructive and forward looking, by identifying areas for improvement and by 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


7. 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](#).


Exhibit 1

2020/21 Significant audit risks

 Audit Risk	Source of management assurance	Planned audit work
Financial statements risks		
<p>1 Risk of material misstatement caused by the management override of controls</p> <p>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.</p>	<ul style="list-style-type: none"> Owing to the nature of this risk, assurances from management are not applicable in this instance. 	<ul style="list-style-type: none"> 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.
<p>2 Risk of material misstatement caused by fraud in income recognition</p> <p>Auditing standards assert that fraud over income should be presumed to be a significant risk in any audit where income streams are significant.</p> <p>The College had income totalling £45 million in 2019/20, of which £36 million was provided by the Scottish Funding Council (SFC) and £9 million was received from other sources.</p> <p>SFC funding is reliant on accurate recording of student numbers and courses provided. The level of income received by the College from other sources is material.</p> <p>The extent and complexity of income means that, in accordance with ISA 240, there is an inherent risk of fraud.</p>	<ul style="list-style-type: none"> Budget monitoring in place. Fraud, bribery, corruption and whistleblowing policies and procedures in place. Most College funding is received from the SFC via direct bank payment. This income can easily be reconciled to funding allocations. The risk of material misstatement in this income is not significant. 	<ul style="list-style-type: none"> Review of budget monitoring reports focussing on significant budget variances. Analytical procedures on income streams. Detailed testing of income transactions focusing on the areas of greatest risk.
<p>3 Risk of material misstatement caused by fraud in expenditure</p> <p>Audit Scotland's Code of Audit Practice requires that auditors should plan to address the risk that the financial statements may be materially misstated as a result of fraud over expenditure. This applies</p>	<ul style="list-style-type: none"> Involvement in National Fraud Initiative (NFI). Internal audit review of NFI. Budget monitoring in place. 	<ul style="list-style-type: none"> Consideration of the findings from internal audit's reviews of NFI and budgetary control. Review of budget monitoring reports focussing on significant budget variances.

 Audit Risk	Source of management assurance	Planned audit work
<p>to the College due to the variety and extent of expenditure incurred.</p>	<ul style="list-style-type: none"> • Internal audit review of budgetary control. • Fraud, bribery, corruption and whistleblowing policies and procedures in place. • Established procurement processes and systems with clear delegated authority limits. 	<ul style="list-style-type: none"> • Testing of the key controls over the payroll system. • Analytical procedures on expenditure streams. • Detailed testing of expenditure transactions focusing on the areas of greatest risk.
<p>4 Estimation and judgments</p> <p>There is a significant degree of estimation and judgement in the measurement and valuation of the College's pension liability which is an estimate based on information provided by management and actuarial assumptions.</p> <p>This subjectivity represents an increased risk of material misstatement in the financial statements.</p>	<ul style="list-style-type: none"> • Pension figures are derived from valuation calculations prepared by appointed actuaries. Officers review the actuarial information to ensure data and assumptions used are reasonable. 	<ul style="list-style-type: none"> • Review of the work of the actuary, including consideration of the appropriateness of the actuarial assumptions used. • Review of the College's procedures for ensuring actuarial valuations provided are appropriate. • Confirm pension valuations in actuarial report are correctly reflected within the 2020/21 financial statements.
<p>5 Kingsway redevelopment</p> <p>A post balance sheet event is likely to arise due to the timing of completion of the Kingsway campus redevelopment.</p> <p>As at 31 July 2021 the capital element of these works will be classified as assets under construction. However, the redevelopment works are expected to be completed later in 2021 with the assets becoming operational prior to the certification of the audited accounts in December 2021.</p> <p>Once operational the assets will need to be revalued with consideration given to the associated accounting and disclosure implications for the annual accounts.</p> <p>The complexity of the accounting and disclosure requirements for a post balance sheet event represents an increased risk of material misstatement.</p>	<ul style="list-style-type: none"> • Surveyor's certification of contractor valuations. 	<ul style="list-style-type: none"> • Review contractor and surveyor valuations. • Review any post balance sheet accounting and disclosure adjustments made and assess whether these comply with accounting standards.

	Audit Risk	Source of management assurance	Planned audit work
Wider dimension risks			
6	Impact of Covid-19 The College has expended significant resources in responding to the disruption caused by Covid-19. As with all other further education institutions, the College has had to adapt to delivering courses online in accordance with Covid-19 restrictions. The nature of the courses offered by the College, particularly practical courses, makes remote teaching challenging. The challenges caused by the pandemic, including those relating to remote learning, will impact on the College's ability to meet the objectives of its 2025 Strategy – More Successful Students.	<ul style="list-style-type: none"> • Results from College's own Learner Surveys conducted in November 2020 and March 2021. • Student Performance Indicators published by SFC. 	<ul style="list-style-type: none"> • Monitor achievement of Board Metrics, including those relating to student achievement and retention. • Review College's recovery plans and progress against strategic pledges and metrics set out in the 2025 strategy. • Review results of 2020/21 SFC Student Satisfaction and Engagement Survey.
7	Financial sustainability The Covid-19 pandemic has had a fundamental impact on the College's income and expenditure streams. For example, the College is projecting that catering and other income will be £0.879 million less in 2020/21 compared to 2019/20. As economic recovery from Covid-19 progresses, the financial outlook for the College is likely to be significantly different from that forecasted in the five-year financial strategy approved by the Board in March 2019. Assumptions around increases in commercial income and savings arising from voluntary severance will need to be revisited. Whilst we acknowledge that the College's financial sustainability is secure in the short-term, there is a risk that it is unable to accurately forecast potential changes in income and expenditure streams post Covid-19 and this negatively impacts on their cash balances in the medium to long-term.	<ul style="list-style-type: none"> • Engagement with SFC and other stakeholders. • Local and national economic data. 	<ul style="list-style-type: none"> • Monitor achievement of financial targets, including achievement of student credit targets. • Assessment of the College's revised Financial Strategy. • Review of the College's Financial Forecast Return for 2021/22-2023/24.

 Audit Risk	Source of management assurance	Planned audit work
<p>8 Estates plans</p> <p>The College approved a five-year estate strategy covering the period 2019/20 to 2023/24 in March 2019.</p> <p>Since the strategy was created, the College has had to adapt to new ways of working in response to Covid-19 restrictions. More courses have been taught online and College staff have been primarily working from home.</p> <p>The Covid-19 pandemic may lead to more permanent changes in the College's working and learning environment which will need to be reflected in the College's estate requirements.</p> <p>Since the start of the pandemic, the financial environment has also changed and funding for estate developments may look different to that planned in the original strategy.</p> <p>There is a risk that the existing estate plans do not reflect the potential changes in the College's estate requirements and funding opportunities in a post-Covid world.</p>	<ul style="list-style-type: none"> • Estates strategy review. 	<ul style="list-style-type: none"> • Ongoing assessment of the College's five-year estate strategy, including any revisions. • Monitor progress of Kingsway redevelopment works. • Monitor progress of outline business case for the planned STEM centre and any other funding applications.

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 our 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 management reports will be issued to the relevant officers 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 report and financial statements. 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

2020/21 Audit outputs

Audit Output	Target date	Board / Audit and Risk Committee Date
Management Letter <i>(This will only be required where reportable issues are identified during our interim testing)</i>	31 July	21 September
Annual Audit Report including ISA 260 requirements	31 December	7 December
Signed Independent Auditor's Report	31 December	14 December

Source: The target dates included are those specified in Audit Scotland's Planning Guidance 2020/21, 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 2020/21 audit of the College is £24,990 (£24,370 in 2019/20). 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 4 October.

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 an independent opinion 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 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 and its group as at 31 July 2021 and of its income and expenditure for the year then ended
- 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 these have been compiled 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 values

Materiality	Amount
Planning materiality – This is the 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 for the year ended 31 July 2020 based on the latest audited accounts.	£0.735 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.	£0.475 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 audit timetable is included at [exhibit 4](#) which takes account of submission requirements and planned Audit and Risk Committee meeting dates. While we will do our best to meet the target dates below, the dates will be subject to change if further issues arise from Covid-19 that impact on the College or the audit team.

Exhibit 4

Annual report and financial statements audit timetable

 Key stage	 Date
Latest submission date of unaudited annual report and accounts with complete working papers package	4 October
Latest date for final clearance meeting with management	19 November
Agreement of audited unsigned annual report and financial statements	26 November
Issue of Annual Audit Report including ISA 260 report to those charged with governance	
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. We do not plan to place formal reliance on the work of internal audit for the audit of the financial statements. 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 the internal audit reports on the following areas:

- Budgetary control
- National Fraud Initiative (NFI)
- Economic recovery
- Systems development / implementation

Audit dimensions

27. 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

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

- whether arrangements are in place to ensure systems of internal control are operating effectively
- Whether the effectiveness of budgetary control systems in communicating accurate and timely financial performance can be demonstrated
- whether there are appropriate and effective arrangements in place for the prevention and detection of fraud and corruption.

Financial sustainability

29. 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 report on:

- the effectiveness of financial planning in identifying and addressing risks to financial sustainability
- the appropriateness and effectiveness of arrangements in place to address any identified funding gaps.

Governance and transparency

30. 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:

- whether governance arrangements in place are appropriate and operating effectively
- whether there is effective scrutiny, challenge and transparency on the decision-making and finance and performance reports.
- the quality and timeliness of financial and performance reporting.

Value for money

31. Value for money refers to using resources efficiently 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

32. Throughout the course of the audit we will consider the continuing impact of the Covid-19 pandemic on the College's operations. We will report on this within our 2020/21 Annual Audit Report.

Independence and objectivity

33. Auditors appointed by the Auditor General for Scotland must comply with the Code of Audit Practice and relevant supporting guidance. When auditing the 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.

34. 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

35. International Standard on Quality Control 1 (ISQC1) 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.

36. 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 (and supporting guidance) 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) is commissioned to carry out an annual programme of external quality reviews.

37. 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 2020/21

If you require this publication in an alternative format and/or language, please contact us to discuss your needs: 0131 625 1500 or info@audit-scotland.gov.uk

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www.audit-scotland.gov.uk

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 18 May 2021



STRATEGIC RISK & COVID REGISTERS

PAPER H

10.1 – Risk Register Update

10.2 – Strategic Risk Register

10.3 – COVID Risk Register

Strategic Risk Register Update

Paper for approval

1. Strategic and COVID Risk Registers

A copy of the May 2021 draft Strategic Risk Register and COVID 19 Risk Register are enclosed. No changes have been made to either the full Strategic Risk Register or the COVID 19 Risk Register since this was last approved.

The draft Risk Registers have been discussed and approved in respect of the items relating to the Learning, Teaching and Quality Committee and the Human Resource and Development Committee at their most recent meetings (the Finance and Property Committee meets on 25 May 2021).

Following on from discussions at the Board of Management, consideration was given to the reduction in risk 3.1 in the COVID Risk Register (after it was raised previously) but it was felt that there remains too significant uncertainty about final outcomes/retention and deferrals to make any reduction at this point. This will, however, remain under review.

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

2. Brexit Risk

Whilst no change has been made to the Strategic Risk Register, members of the Committee may wish to note that review is continuing in respect of the impact of the UK leaving the EU. This work is supported by on-going input from the Scottish Funding Council who maintain a 'live' summary of key Brexit related issues and impacts.

3. Scenario Planning

Whilst no change has been made to the Strategic or COVID Risk Registers, members of the Committee should note that the extensive work developed by the College to support and inform sector wide scenario planning around deferred number for session 2021/2022 has resulted in confirmation of significant additional funding and significant flexibilities for colleges and students for the current academic year and for academic year 2021/22.

This work is continuing with a focus on next academic session and development of a range of assumptions to inform planning. These assumptions will also support risk planning and management going forward.

4. Approvals

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

- Approval of the Strategic and additional COVID Risk Registers

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



STRATEGIC RISK REGISTER

2020 - 2021

As at May 2021

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
	VPP&P	Vice Principal People & Performance	HoE	Head of Estates	3	Significant	Possible
	VPCS	Vice Principal Corporate Services	Chair	Chair of the Board of Management	4	Major	Probable
	VPCA	Vice Principal Curriculum & Attainment			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
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	<ul style="list-style-type: none">Robust strategic planningEffective environmental scanningStrong partnershipsClear links between strategy and practiceConcerted demands for increased activity levels	4	1	4	<ul style="list-style-type: none">Robust monitoring via ROAClear performance metricsAmendment of strategic direction/ plansRolling curriculum review	Prin & Chair
1.2 Board	College may be disadvantaged by changes to either UK or Scottish Government policies	4	3	12	<ul style="list-style-type: none">Effective environmental scanningNegotiation/influence at national level	4	2	8	<ul style="list-style-type: none">Review of changes and amendment of strategic direction/plansFinancial strategy sensitivities	Prin & Chair
1.3 Board	College disadvantaged by changes arising from UK leaving European Union	5	4	20	<ul style="list-style-type: none">Negotiation/influence at national levelReview of activities/ projectsResponsiveness to new opportunities	5	3	15	<ul style="list-style-type: none">Review of changes and amendment of strategic direction/plans/ curriculumFinancial strategy ESF sensitivityWorkforce planningInternational strategy & planningBrexit 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	ELT	Executive Leadership Team	Prin	Principal	Score	Impact	Likelihood
	SLT	Senior Leadership Team	DirC&A	Directors of Curriculum & Attainment	1	Routine	Remote
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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
1	Strategic and Structural									
1.4 Board	<p>Difficulties or over commitment arising within large scale/national College led initiatives or projects impact negatively on:</p> <ul style="list-style-type: none"> Ability of the College to meet key regional strategies/objectives Financial loss or unmanageable financial risk Reputational loss 	4	3	12	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	ELT	Executive Leadership Team	Prin	Principal	Score	Impact	Likelihood
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Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS			TREATMENT		POST MITIGATION EVALUATION				
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Responsibility
2	Financial									
2.1 F&P	Change in SFC Funding Methodology and Allocation – Reduction in Funding	3	3	9	<ul style="list-style-type: none"> Negotiation/influence at national level Contingency plans for reduced funding 	2	3	6	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Influence within Employers Association Management of staffing expenditures 	4	3	12	<ul style="list-style-type: none"> Expenditure modelling On-going discussions with staff Financial strategy sensitivities Workforce planning 	VPP&P, 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	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
	VPP&P	Vice Principal People & Performance	HoE	Head of Estates	3	Significant	Possible
	VPCS	Vice Principal Corporate Services	Chair	Chair of the Board of Management	4	Major	Probable
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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
2	Financial (cont)									
2.4 A&R	Financial Fraud	4	3	12	<ul style="list-style-type: none">Strong financial controls: segregation of duties and review of transactions.Review of impact of any changes in structure or dutiesWhistleblowing arrangements	3	2	6	<ul style="list-style-type: none">Continuous review of financial controlsInternal Audit programme	VPCS
2.5 F&P	D&A Foundation refuses/withholds funding for key College priorities	5	3	15	<ul style="list-style-type: none">On-going dialogue with Foundation TrusteesAppropriate bid arrangements in place	3	2	6	<ul style="list-style-type: none">Monitor and advise Board of Management	Prin & VPCS
2.6 F&P	Demands of capital developments / maintenance impacts on financial sustainability or delivery of learning and/or services	3	2	6	<ul style="list-style-type: none">Multi-year estates strategy and capital planningLobbying of SFC on capital and backlog maintenance fundingPlanning for D&A Foundation bids	2	2	4	<ul style="list-style-type: none">Monitoring of capital plans and expendituresRegular review of capital plans/timescales relative to funds	VPCS

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	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
3	People and Performance									
3.1 LT&Q	Failure to reach aspirational standards in learning, teaching and service delivery	4	3	12	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Adherence to legislative and good practice requirements Positive Union relations and staff communication Effective management development programmes 	3	2	6	<ul style="list-style-type: none"> 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

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	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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Marketing strategy Reputation plan Positive marketing approaches 	4	2	8	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Influence within Employers Association Management of bargaining outcomes and implementation 	4	3	12	<ul style="list-style-type: none"> Positive union relations and staff communication On-going discussions with staff Innovation in approaches 	VPP&P, VPC&A

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	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	<ul style="list-style-type: none"> Adherence to legislative and good practice requirements Positive Union relations and staff communication Effective management development programmes Industrial action continuity planning 	4	3	12	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Effective management of GDPR compliance Mandatory staff CPD and awareness raising on data protection (relative to role) 	4	2	8	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Prevent training Staff awareness and contingency planning Engagement/practice sharing with local agencies 	5	1	5	<ul style="list-style-type: none"> Business Continuity Plan including scenario testing Information sharing with local agencies 	VPC&A, VPP&P

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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.)									
3.10 HRD	College arrangements do not minimise risk associated with Modern Slavery	4	3	12	<ul style="list-style-type: none"> Clear and compliant procurement arrangements and procedures Staff identity checking arrangements and use of PVG. 	4	1	4	<ul style="list-style-type: none"> Annual procurement monitoring/reporting Regular employee engagement monitoring Open communication with staff 	VPC&A, VPP&P

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Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS			TREATMENT	POST MITIGATION EVALUATION					
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Responsibility
4	Infrastructure									

4.1 A&R	Disasters – eg Fire, MIS Failure, Failure of Emergency Procedures	5	4	20	<ul style="list-style-type: none"> Sound systems of administration Clear fire and disaster recovery arrangements Staff CPD 	5	1	5	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Planning, careful phasing of changes to processes and systems Effective management of ICT arrangements Clear investment plan 	4	2	8	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Effective management of ICT arrangements Active ICT/data security monitoring and cyber security policy 	4	2	8	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Effective infrastructure and systems design and implementation Effective management of ICT arrangements and GDPR compliance 	4	2	8	<ul style="list-style-type: none"> Active data protection monitoring and auditing Effective information and data security policies in operation Regular data security monitoring/testing 	VPC&A, HoICT

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STRATEGIC RISK REGISTER COVID 19 SPECIFIC MITIGATIONS

2020 - 2021

As at May 2021

Post Holders	ELT	Executive Leadership Team	Prin	Principal	Score	Impact	Likelihood
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Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS			TREATMENT			POST MITIGATION EVALUATION			Lead Responsibility
	Risks	Impact	Likelihood	Score	Additional COVID 19 Mitigation Actions	Impact	Likelihood	Score	Additional COVID 19 Monitoring	
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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> Ability of the College to meet key regional strategies/objectives Financial loss or unmanageable financial risk Reputational loss 	4	3	12	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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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	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	<ul style="list-style-type: none"> 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	2	8	<ul style="list-style-type: none"> Monthly monitoring of budgets Engagement with government and other partners Detailed monitoring of income optimisation and savings programmes 	VPCS
2.4 A&R	Financial Fraud	4	3	12	<ul style="list-style-type: none"> Revised financial controls: segregation of duties and review of transactions. Review of impact of changes in ways of working, authorisation arrangements Whistleblowing arrangements 	3	2	6	<ul style="list-style-type: none"> Continuous review of financial controls and revised arrangements 	VPCS

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	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
3	People and Performance									
3.1 LT&Q	Failure to reach aspirational standards in learning, teaching and service delivery	4	3	12	<ul style="list-style-type: none"> 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	4	12	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Effective internal monitoring/review/verification arrangements Engagement with revised quality arrangements and contingency plans Outcome monitoring/recording 	VPP&P, VPC&A

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	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	<ul style="list-style-type: none"> Clear and proactive approaches to supporting and promoting health, safety and wellbeing when WFH and/or on-site Project 2020 developments and mitigations Outbreak management plan Enhanced awareness of challenges/support needs Extensive CPD arrangements in place – Home Working Hub Regular staff and learner feedback arrangements 	3	3	9	<ul style="list-style-type: none"> Regular employee engagement monitoring Maintaining and reporting on physical 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	<ul style="list-style-type: none"> Marketing strategy Reputation plan Positive marketing approaches Outbreak management communications plan 	4	3	12	<ul style="list-style-type: none"> Positive marketing plan Regular stakeholder engagement Social media engagement and monitoring arrangements 	Prin DirC&A

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	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	<ul style="list-style-type: none"> Adherence to legislative and good practice requirements Positive Union relations and staff communication Effective management engagement and support 	4	2	8	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Active data protection awareness raising Effective information and data security policies in operation Regular data security monitoring/testing Staff CPD 	VPC&A, HoICT
3.12 HRD	Significant or catastrophic Covid 19 outbreak/infection rate impacts on ability to deliver learning, teaching or other core services	4	3	12	<ul style="list-style-type: none"> Clear scenario and contingency planning COVID 19 H&S mitigations in place, monitored and adapted where required All appropriate government guidance followed 	4	2	8	<ul style="list-style-type: none"> Monitoring of COVID 19 cases and absences Outbreak management arrangements Amendment to support prioritised services 	Prin VPC&A

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	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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Staff awareness raising/CPD on cyber security issues Regular security monitoring/testing Cyber resilience plan 	VPC&A, HoICT
4.6 LT&Q	ICT/Cyber failure significantly disrupt learning, teaching or other core services	4	3	12	<ul style="list-style-type: none"> 'Cloud first' strategy implementation for major services/systems Clear and robust management of ICT systems 	3	1	3	<ul style="list-style-type: none"> Systems monitoring On-going cyber resilience and systems development 	HoICT