

# BOARD OF MANAGEMENT

## Joint Audit & Risk, and Finance & Property Committee



Tuesday 7 December 2021 in Microsoft Teams

**4.00pm (please note early start time)**

### AGENDA

- |               |   |                         |    |
|---------------|---|-------------------------|----|
| <b>4.00PM</b> | <b>AUDIT AND RISK COMMITTEE MEMBERS INDEPENDENT MEETING WITH AUDITORS</b>                 |                         |    |
| <b>4.30PM</b> | <b>AUDIT AND RISK COMMITTEE MEETING</b>   |                         |    |
| <b>1</b>      | <b>WELCOME</b>  |                         |    |
| <b>2</b>      | <b>APOLOGIES</b>  |                         |    |
| <b>3</b>      | <b>DECLARATIONS OF INTEREST</b>   |                         |    |
| <b>4</b>      | <b>MINUTES OF AUDIT &amp; RISK COMMITTEE – 21 September 2021</b>                          | Paper A for approval    |    |
| <b>5</b>      | <b>MATTERS ARISING</b>  | Paper B for Information | JC |
| <b>6</b>      | <b>AUDIT &amp; RISK COMMITTEE ANNUAL REPORT TO BOARD</b>                                  | Paper C for approval    | GR |
| <b>7</b>      | <b>INTERNAL AUDIT</b>   |                         |    |
|               | 7.1. Student Activity   | Paper D for approval    | HL |
|               | 7.2. Student Support Funds  | Paper E for approval    | HL |
|               | 7.3. Follow-up Summary  | Paper F for information | JC |
|               | 7.4. Audit Needs Analysis & Strategic Audit Plan  | Paper G for approval    | HL |
|               | 7.5. 2021/22 Internal Audit Annual Plan   | Paper H for approval    | HL |
| <b>8</b>      | <b>DATA BREACH REPORTING</b>  | Verbal update           | JC |
| <b>9</b>      | <b>HEFESTIS – Annual Information &amp; Cyber Security Risk &amp; Maturity Report 2021</b> | Paper I for information | AR |
| <b>10</b>     | <b>STRATEGIC RISK REGISTER UPDATE</b>   | Paper J for approval    | ST |
|               | 10.1. Strategic Risk Register   |                         |    |
|               | 10.2. COVID-19 Risk Register  |                         |    |
| <b>11</b>     | <b>DATE OF NEXT MEETING – Tuesday 8 March 2022</b>  |                         |    |

**Close of Audit & Risk Committee Business**

## **5.15PM JOINT AUDIT & RISK/FINANCE & PROPERTY COMMITTEE MEETING**

### **12 ANNUAL ACCOUNTS**

12.1	Internal Audit Annual Report	Paper K for approval
12.2	Audit Scotland Covering Letter	Paper L for approval
12.3	Audit Scotland Annual Report	Paper M for approval
12.4	Financial Statements for the Year ended 31 July 2021	Paper N for approval

### **Close of Joint Audit & Risk/Finance & Property Committee Business**

## **FINANCE AND PROPERTY COMMITTEE MEETING**

### **13 WELCOME**

### **14 APOLOGIES**

### **15 DECLARATIONS OF INTEREST**

### **16 MINUTES OF FINANCE & PROPERTY COMMITTEE – 20 SEPTEMBER** Paper O for approval

### **17 MATTERS ARISING** Paper P for information JC

### **18 BUDGET MONITORING & FORECAST OUTTURN** Paper Q for information BF/JC

### **19 ESTATES & INFRASTRUCTURE**

19.1	Estates Update	Paper R for information	BG
19.2	ICT Cloud First Update	Paper S for information	AR

### **20 2022/2023 FEES POLICY** Paper T for approval JC

### **21 PROCUREMENT**

21.1	Annual Report	Verbal Update	JC
21.2	Procurement Update	Paper U for approval	JC

### **22 STRATEGIC RISK REGISTER UPDATE** Paper V for approval ST

22.1	Cover Paper
22.2	Strategic Risk Register
22.3	COVID-19 Risk Register

### **23 VP CORPORATE SERVICES REPORT** Paper W for information JC

### **24 TAY CITIES ENGINEERING PARTNERSHIP: UPDATE** Paper for approval JC

### **25 DATE OF NEXT MEETING - Tuesday 1 March 2022, 5:00pm via Teams**



**JOINT AUDIT & RISK,  
FINANCE & PROPERTY COMMITTEE**

**Tuesday 7 December 2021**

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**Minutes of Previous**

**Audit & Risk Committee Meeting  
21 September 2021**

**PAPER A**

# **BOARD OF MANAGEMENT**

## **Audit and Risk Committee Meeting**

### **Tuesday 21 September 2021**



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*Draft confirmed by Chair*

**Minute of the Audit and Risk Committee meeting held on Tuesday 21 September 2021 at 5.00pm in Microsoft Teams.**

**PRESENT:** G Robertson (Chair) H Honeyman  
S Middleton M Thomson

**IN ATTENDANCE:** J Carnegie (Vice Principal)  
S Taylor (Vice Principal and Secretary to the Board)  
S Inglis (Henderson Loggie)  
A Kerr & E Robertson (Audit Scotland)

#### **1. WELCOME**

G Robertson welcomed members of the Audit and Risk Committee and welcomed Dr Sally Middleton to her first A&R meeting. A Kerr introduced Euan Robertson. G Robertson noted the resignation of A Wilson and stated that he had passed on the thanks of the Committee to her.

#### **2. APOLOGIES**

Apologies were received from K Keay, M Williamson, T Pirie and T D'All.

#### **3. DECLARATIONS OF INTEREST**

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

#### **4. MINUTE OF AUDIT AND RISK COMMITTEE – 18 MAY 2021**

The Minute of the Audit & Risk Committee meeting held on 18 May 2021 was approved as an accurate record.

#### **5. MATTERS ARISING**

All matters arising had been closed out.

#### **6. INTERNAL ADUIT**

##### **6.1 Progress Report**

S Inglis summarised the progress report highlighting that all planned audit activities were complete or on schedule. The mandatory audits on student funds and activity would be considered at the December 2021 meeting.

The report was approved.

## **8.2 Follow Up Review**

S Inglis summarised the follow up review report, outlining that good progress had been made in respect of previous audit recommendations, with 13 fully implemented, 2 partially implemented and 2 no longer necessary.

The partially implemented action in respect of Digital training was discussed and J Carnegie noted that this had been delayed due to the desire to utilise the sector wide digital competence assessment, rather than create a College version.

The tracking and evaluation of cyber security training was noted, and S Taylor highlighted 'mystery shopping' exercise that had been undertaken and the follow up with individual staff that had clicked on false 'phishing' e-mails.

This activity, and follow up, was welcomed.

## **6.3 Follow-Up Summary**

J Carnegie noted that the follow up summary covered similar information to the Henderson loggie Follow up review and that she was pleased with the good progress made.

J Carnegie noted that she was pleased to note that all actions under the cyber security action plan had now been closed out.

J Carnegie summarised the work being progressed under the Catering Review following the halting of this during lockdown.

## **6.4 Audit Needs Analysis**

J Carnegie summarised work progressing to undertake the audit needs analysis underpinning creation of a new 3-year audit plan. It was noted that this would be available for consideration at the December meeting.

J Carnegie stated that, to avoid any back-loading of audit activities it was proposed to undertake audits in Student Fees and Debt Management, and Implementation of the Digital Strategy.

J Carnegie noted that both were areas that internal audit could add value to and were areas of interest for the College and board.

S Inglis noted the discussions taking place and work progressing to complete the ANA and finalise the scope of the two proposed audits.

M Thomson asked if there had been other proposed audits that had been discounted. J Carnegie confirmed that there had not as the two noted were seen a good options.

Following discussion, the proposed audit activity was agreed. **J Carnegie/ Henderson Loggie to progress.**

## **7. EXTERNAL AUDIT**

A Kerr introduced E Robertson as a new member joining the audit team and supporting the audit work in the current year.

A Kerr noted that arrangements were in place for the audit work and had been discussed with the finance team. It was confirmed that audit work would be undertaken remotely, but that this did not cause any concern to the College or Audit Scotland.

Arrangements were in place to allow all work and reporting to be completed for the joint meeting on 7 December 2021.

## **8. COVID-19 UPDATE**

J Carnegie noted the more staff and students were now on campus and highlighting the fluid guidance from Scottish Government around face coverings (this had changed 3 times in 3 weeks) which was very frustrating. J Carnegie also noted there was a regular challenge to get school pupils to comply with wearing face coverings.

J Carnegie informed the Committee that pop-up vaccinations centres had been arranged for Arbroath, Kingsway and Gardyne Campus offering vaccinations to both staff and students. Initial turnout to these centres had been good and the College was encouraging all students and staff to get vaccinated.

J Carnegie stated that the number of COVID-19 positive cases had increased, which had brought additional challenges, particularly in respect of the revised arrangements around self-isolation.

S Taylor outlined input and discussions with staff in respect of COVID-19 mitigations and noted the good relationship with the unions and highlighted the recent joint SLT / Students' Association and union statement to staff along with a video update with the Students' Association for staff and students.

S Taylor noted that the adapted assessment arrangements from the Scottish Qualifications Agency remained in place for 2021/22, providing a level of comfort to support arrangements where learning had been impacted by COVID-19, self-isolation or any future lockdown.

H Honeyman asked if the COVID-19 vaccinations were being supplemented with flu vaccinations as a flu epidemic was also being predicted. S Taylor noted that flu vaccines would be made available to staff under the normal College arrangements but that no arrangements had been confirmed for the wider student population.

Arrangements and current regulations around self-isolation for different age groups were discussed and the update welcomed.

## **9. STRATEGIC & COVID RISK REGISTERS**

S Taylor summarised the risk register report, noting the inclusion of a new risk around New Ways of Working and amendment to risks based on the experience gained over the previous 12 months.

M Thomson asked about the possible impact of supply chain risks. S Taylor noted that this had been discussed and that there were impacts being felt but these were not currently a cause for major concern.

The Audit & Risk Committee approved the updates to the COVID-19 and Strategic Risk Registers.

**10. DATE OF NEXT MEETING**

Tuesday 7 December 2021 at 4.30pm (Joint meeting with the Finance and Property Committee)

**Action Point Summary**

**Action**

**Responsibility**

**Date**

Internal Audits to be progressed as proposed

J Carnegie,  
Henderson Loggie

7 December 2021

**JOINT AUDIT & RISK,  
FINANCE & PROPERTY COMMITTEE**



**Tuesday 7 December 2021**

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**Matters Arising**

**PAPER B**



**BOARD OF MANAGEMENT**  
**Audit & Risk Committee**  
**Tuesday 7 December 2021**



**Matters Arising**

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***Paper for information***

The following actions were noted from the Tuesday 21 September 2021 Audit & Risk Committee meeting.

<b>Agenda Item No</b>	<b>Action</b>	<b>Current status</b>	<b>Open / Closed</b>
	Internal Audits to be progressed as proposed <b>J Carnegie, Henderson Loggie</b>	Internal Audits on Cyber resilience and Student invoicing and debt management have been scheduled for late November/early December	Closed

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



**JOINT AUDIT & RISK,  
FINANCE & PROPERTY COMMITTEE**

**Tuesday 7 December 2021**

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**Minutes of Previous**

**Audit & Risk Committee Annual Report  
to the Board**

**PAPER C**

# BOARD OF MANAGEMENT



## Audit & Risk Committee Tuesday 7 December 2021

### DRAFT Annual Report from the Audit & Risk Committee

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#### *Paper for discussion/approval*

#### 1. Introduction

The Audit & Risk Committee is required to report annually to the full Board on its activities, and on the reports presented to the Committee by the College's internal and external auditors.

#### 2. Recommendation

Members are asked to discuss and agree the contents of this report for submission to the Board of Management in December 2021.

#### 3. Background

In accordance with the Scottish Government [Audit and Assurance Committee Handbook](#) ("the Handbook") the Audit & Risk Committee is required to provide the Board with a written annual report, timed to support the finalisation of the accounts and the governance statement, summarising its conclusions from the work it has done during the year.

This report is intended to be presented to the Board by the Chair, on behalf of the Audit & Risk Committee to cover the period of its operations in relation to the financial year 2020/21, including the Audit & Risk Committee meeting held on 21 September 2020.

This is the draft report, which following discussion and agreement on its content by this Audit & Risk Committee will be submitted to the full Board at its meeting of 14 December 2020.

#### 4. Overview

- 4.1. The period of this Annual Report includes the consideration of the statutory accounts for 2020/21, together with the associated 2020/21 Annual Audit Report from Audit Scotland, the College's External Auditors for the period.
- 4.2. The Committee continues to have an oversight of the work of the College's Internal Auditors, Henderson Loggie, and considers reports issued by them.
- 4.3. As with 2019/20, 2020/21 continued to be a turbulent year, with the pandemic continuing to have a significant impact on how the world and the College operates. Managing the impact has continued to shape how the College has operated in 2020/21 as well as engaged with audit, risk, processes, systems, management, leadership and governance.
- 4.4. The Committee met four times over the period covered by this report.
- 4.5. In addition to the reports provided by the College's Internal and External Auditors the

Committee considered the following during the course of the year:

- College's Strategic and COVID-19 Risk Registers and the oversight and review of specific risks by committees
- Updates on progress towards implementing audit recommendations; including significantly, those recommended as a result of an independent Jisc report into the cyber-attack. A separate Information and Cyber Security Risk Report, produced by the College's Information Security Officer (Higher Education/Further Education Shared Technology and Information Services – HEFESTIS) was also considered by the committee.
- The findings of the second National Fraud Initiative data-matching exercise, which is undertaken every two years.

## 5. Committee Membership

The Audit & Risk Committee Membership in the 2020/21 year was as follows:

George Robertson (Chair); Helen Honeyman (Vice Chair); Margo Williamson; Pamela Milne (to March 2021); Kirsty Keay; Trisha Pirie, Michael F Thomson (Co-Opted August 2018); Angela Wilson (from December 2020 to September 2021), Sally Middleton (from June 2021).

College staff members – Jaki Carnegie, Vice Principal Corporate Services, Steve Taylor, Vice Principal People & Performance/Secretary to the Board and Tracey D'All, Clerk to the Committee were also in regular attendance at meetings.

Representatives from Henderson Loggie (Internal Auditor) and Audit Scotland (External Auditor) regularly attend the Audit & Risk Committee.

## 6. Meetings and Discussions

The Audit & Risk Committee met during the year on the following dates:

- 8 December 2020
- 9 March 2021
- 18 May 2021
- 21 September 2021

## 7. Internal Audit

The Internal Auditor's 2020/21 Annual Plan was presented and approved at the Audit & Risk Committee meeting in September 2020. The reports considered by the Audit & Risk Committee under this plan include:

Audit Area	Report Grades <sup>1</sup>	Number of Actions Outstanding (& Action Grades <sup>2</sup> )		
		1	2	3
Health, Safety & Wellbeing	Good	No recommendations		
Finance – Budgetary Control	Satisfactory	-	-	1
Economic Recovery	Good	-	-	1
National Fraud Initiative	Good	No recommendations		
Systems Development / Implementation	Good	No recommendations		

Follow-up Reviews	n/a	-	-	2 <sup>3</sup>
Student Activity Data (2020/21)	Audit opinion unqualified	-	-	2
Student Support Funds (2020/21)	Audit opinion unqualified	No recommendations		
	<b>Total</b>	-	-	<b>6</b>

<sup>1</sup> 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.

<sup>2</sup> Priority 1 = Issue subjecting the College to material risk and which requires to be brought to the attention of management and the Audit and Risk Committee.

Priority 2 = Issue subjecting the College to significant risk and which should be addressed management.

Priority 3 = Matters subjecting the College to minor risk or which, if addressed, will enhance efficiency and effectiveness.

<sup>3</sup> Partially implemented

The Internal Auditors reported to the September 2021 Committee that the College had made excellent progress in implementing the recommendations followed-up as part of the follow-up review, with overall 13 (76%) of the 17 recommendations followed-up being assessed as 'fully implemented, with 2 categorised (12%) as 'partially implemented', and 2 (12%) categorised as 'no longer relevant'. The 2 'partially implemented' will be subject to formal follow-up as part of the equivalent review in 2021/22.

In the Annual Report for 2020/21 the Internal Auditor concluded that "the College has adequate and effective arrangements for risk management, control and governance. Proper arrangements are in place to promote and secure Value for Money."

The work of Internal Audit is carried out primarily for the benefit of the Board/Executive of the College and is the single most significant resource used by the committee in discharging its responsibilities to be assured of the overall adequacy and effectiveness of the organisation's governance, risk management and control processes. The relationship between Henderson Loggie and the Committee and College staff continues to be professional, proactive, positive and effective.

The Committee are pleased that all Internal Audits of systems are reported as being satisfactory or good and that there were no Priority 1 or Priority 2 issues identified.

As well as the work of Henderson Loggie, excellent progress is being made in relation to responding to the Jisc report of the cyber-attack.

Of the original 12 recommendations since the report in May 2020:

- 11 have been completed
- 1 is in progress and is being monitored via the Finance & Property Committee as part of the progress towards the implementation of the Digital strategy.

The Committee are delighted with the progress being made on closing out outstanding actions.

The internal audit contract went out to tender in 2020 and the Committee were pleased to approve that Henderson Loggie secured a further 3 year term to 30 September 2023, with the option for two extensions of one year after the initial three year period, subject to satisfactory performance. The fee for internal audit activities in 2020/21 was £10K.

## **8. External Audit of Year End Financial Statements**

The external audit of the Financial Statements to 31 July 2021 was undertaken by Audit Scotland, who were appointed by the Auditor General for a 5-year term from 2016/17 to 2020/21 inclusive. Due the pandemic Audit Scotland's term as our external auditor was extended for a further year to cover reporting of financial year 2021/22.

The fee for the 2020/21 College Statutory Accounts was £25K.

The external auditor's Annual Audit Plan was considered by the Committee at its May 2021 meeting and was subsequently published on the Audit Scotland website.

At a joint meeting with the Finance & Property Committee on 7 December 2021, the Audit & Risk Committee received the Annual Accounts for 2020/21, together with the external auditor's Annual Audit Report and the internal auditor's Annual Report to the Board of Management.

The external auditor provided an unqualified report relating to the financial statements and reported that the financial statements of Dundee & Angus College:

- give a true and fair view in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council of the state of the affairs of the college and its group as at 31 July 2021 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 14 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

The Committee reviewed the Annual Audit Report and related work and expressed satisfaction with the assessment provided. In terms of the contribution from the External Auditor, the Committee were pleased with the support provided by the external audit team, the process and the performance and effectiveness of the External Audit team throughout the financial year.

The Committee noted that Audit Scotland reported "effective governance and decision-making arrangements were in place...and the college took effective action to adjust its governance arrangements to respond to the challenges presented by Covid-19".

A professional, positive and effective relationship between the external auditor and College staff was reported.

## 9. Discussions Between the Audit & Risk Committee and the External and Internal Auditors

These discussions confirmed that:

- External and internal auditors have been provided with all necessary help and information.
- College staff and managers are operating effective systems of internal control and maintaining accurate and reliable financial records.
- College managers and staff have responded positively and timeously to implement suggested changes for improvement.

## 10. Risk Management

A Strategic Risk Register has been compiled and this is passed for discussion to the full Board of Management.

Risks are monitored and reported (including reporting to the Board of Management where necessary) at each meeting of the Audit & Risk Committee. Risks (including both pre- and post-mitigation risk ratings) are amended/added/deleted as appropriate through on-going analysis and approval at each Audit & Risk Committee meeting.

During 2018/19 the Board agreed that appropriate risks be allocated to each Committee for their regular review and consideration, with feedback on these discussions and considerations being fed back into the Audit & Risk Committee. This process continues to work well and will continue to be embraced.

As a response to COVID-19 pandemic a specific risk register was created and also continues to be monitored by the various Committees and Board using the same process as for the Strategic Risk Register.

During 2020/21 the following risk was added to the Strategic Risk Register: "College disadvantaged as a result of changes arising from major national educational body reviews: SFC, SQA, EdS". The pre-mitigation risk was rated as "major" and post-mitigation as "minor"

The following risk was removed from the Strategic Risk Register: "Difficulties with implementation of structural change" as a result of Members being satisfied that this was no longer a risk.

Two new risks were added to the COVID-19 Risk Register: "Post pandemic planning fails to meet the needs of the D&A Region and/or national priorities on economic and social recovery" and "Post pandemic ways of working and workforce planning fails to meet the needs of staff and College strategic/operational needs". Both pre-mitigation were rated as "significant" and post-mitigation as "minor"

## 11. National Fraud Initiative

The Committee welcomes the College's involvement in the National Fraud Initiative, which is a data-matching exercise led by Audit Scotland to aid the detection of fraudulent payments.

The second cycle of data-matching commences took place in 2020/21 followed by a scheduled Internal Audit to review of the College's progress. It is pleasing that all investigation work on the matches were closed off with no frauds identified. There was one error which was corrected. The Internal Audit provided a "Good" level of assurance.

## 12. Opinion

In accordance with the Audit and Assurance Committee Handbook, this Annual Report should summarise the committee's work for the year past, and present its opinion about:

- the effectiveness of governance, risk management and control;
- the comprehensiveness of assurances in meeting the Accountable Officer and Board's needs;
- the reliability and integrity of these assurances;
- whether the assurance available is sufficient to support the Board in their decision taking and their obligations;
- the implications of these assurances for the overall management of risk;
- any issues the committee considers pertinent to the Governance Statement and any long term issues the committee thinks the Accounting Officer and/or Board should give attention to;
- financial reporting for the year;
- the quality of both Internal and External Audit and their approach to their responsibilities; and
- the committee's view of its own effectiveness, including advice on ways in which it considers it needs to be strengthened or developed.

The Audit & Risk committee considers that it has been successful in progressing the Board's governance and internal control priorities during the period covered by this annual report.

The Committee welcomed the success in finalising the annual accounts. The Committee recognised the significant efforts of the College's Finance team, led by Brian Ferguson and Rhonda Bissett and the supportive, flexible and pragmatic way that the External Audit team led by Andrew Kerr and Euan Robertson managed the audit.

Based on the assessment and reports provided by External and Internal Auditors, the Audit & Risk Committee is satisfied as to the adequacy and soundness of the College's system of internal control and financial management, and the arrangements to deliver value for money from public funds, ensuring economy, efficiency and effectiveness in the use of resources.

The Audit & Risk Committee believes that the governance of the College is compliant with the principles of the:

- [Code of Good Governance for Scotland's Colleges](#), which was revised in September 2016, and
- Scottish Government [Audit and Assurance Committee Handbook](#), which was revised in April 2018, and

that the College has been compliant for the period from 1 August 2020 to 31 July 2021.



### **13. Link to Strategic Risk Register**

The preparation and consideration of this Audit & Risk Committee Annual Report alongside the topics covered within the report, by its very nature, support the mitigation of all the risks included within the Strategic Risk Register.

**Author:** George Robertson, Chair Audit & Risk Committee

**JOINT AUDIT & RISK,  
FINANCE & PROPERTY COMMITTEE**



**Tuesday 7 December 2021**

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**Internal Audit**

**Student Activity**

**PAPER D**

# Dundee and Angus College

**2020/21 Student Activity Data**

**Internal Audit report No: 2021/08**

**Draft issued: 17 November 2021**

**Final issued: 18 November 2021**



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# Management Summary

## Introduction

The Guidance Notes issued by the Scottish Funding Council (SFC) on 2 August 2021, '*FES Return and Audit Guidance 2020-21*' requested submission by Dundee and Angus College ('the College') of the FES return for session 2020/21, which includes the Credits data relating to College activity for the academic year 2020/21.

Guidance on completion of the 2020/21 return was issued by the SFC on 6 August 2020.

The Credits Audit Guidance requests that colleges obtain from their auditors their independent opinion on the accuracy of the FES return.

## Scope of the Audit

In accordance with the Credits Audit Guidance we reviewed and recorded the systems and procedures used by the College in compiling the returns and assessed and tested their adequacy. We carried out further detailed testing, as necessary, to enable us to conclude that the systems and procedures were working satisfactorily as described to us.

Detailed analytical review was carried out, including a comparison with last year's data, obtaining explanations for significant variations by Price Group.

Our testing was designed to cover the major requirements for recording and reporting fundable activity identified at Annex C to Credits Audit Guidance, COVID-19 related guidance at Annex D and the key areas of risk identified in Annex E.

## Audit Staffing

An Audit Director with 28 years' experience in the further and higher education sectors had overall responsibility for the planning, control and conduct of the audit and supervised and reviewed work performed by a Senior Auditor and Auditor with five and three-years' experience in the sector respectively. A Manager with 16 years' experience in the sector was also involved at the planning, review and reporting stage.

The quality of audit work undertaken by the firm is enhanced through continuous review of procedures and the implementation of individual training programmes designed to address the needs of each team member.

The total number of audit days was 11, split ½ day for the Audit Director, 1 day for the Manager, 6½ days for the Senior Auditor and 3 days for the Auditor.

## Audit Findings

The points that we would like to bring to your attention have been grouped together under the following headings to aid your consideration of them:

- Introduction
- Systems and Procedures for Compilation of Returns
- Analytical Review

## Audit Findings (continued)

The action that we consider necessary on each issue is highlighted in the text for clarity and an action plan for implementation of these recommendations can be found in section 2.

To aid the use of the action plan, our recommendations have been graded to denote the level of importance that should be given to each one. These gradings are as follows:

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

## Conclusion

Our report was submitted to the SFC on 25 October 2021. We reported that, in our opinion:

- the student data returns have been compiled in accordance with all relevant guidance.
- adequate procedures are in place to ensure the accurate collection and recording of the data; and
- on the basis of our testing we can provide reasonable assurance that the FES return contains no material misstatement.

A copy of our Audit Certificate is included at Appendix I to this report.

## Acknowledgments

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



## Action Plan

Para Ref.	Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer for Action	Agreed Completion Date
2.2.1	<p><b><i>Systems and Procedures for Compilation of Returns</i></b></p> <p><b>Allocation of Credits to Courses</b></p> <p><b>R1</b> Ensure that Credits claimed for students are based upon the value of the units listed on the student course record, which reflect the activity delivered in the year, and not based upon a default tariff.</p>	<b>3</b>	<p>Data Management will create tracking reports for this type of situation and liaise accordingly with the appropriate curriculum teams.</p> <p>Discussions have also taken place with curriculum teams on the change process for frameworks if any learning cannot be delivered.</p>	Yes	Data Management Team Leader	July 2022



## 2020/21 Student Activity Data

Para Ref.	Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer for Action	Agreed Completion Date
2.3.1 – 2.3.5	<b>Distance / Work-Based Learning</b>  <b>R2</b> The College should ensure evidence of progression and participation / engagement is retained to evidence eligibility of the Credits claimed for distance / work-based learning students. Where curriculum staff identify that no evidence is available, or that students are no longer engaging this should be notified to the Student Records team to ensure that the Credits are removed from the Credits claim.	3	<p>All distance / workbased learning programmes will now undertake monthly review checkpoints by the administration staff to monitor ongoing participation and engagement.</p> <p>Ongoing training and discussions with curriculum teams on the process for non-engaged students has been scheduled.</p>	Yes	Curriculum Support Services Tam Leader	Ongoing through academic session 21/22.





# Main Report

## 1. Introduction

### 1.1 SFC Guidance

1.1.1 The Credits Audit Guidance issued by the Scottish Funding Council (SFC) on 2 August 2021 sets out, at Annex E, the key areas of risk in relation to the preparation of the FES return. These are:

- identification of non-fundable activity, both courses and students.
- classification as higher education or further education.
- classification as full-time or other than full-time.
- identification and counting of infill students.
- allocation of Price Group code.
- capturing of enrolments and identification and recording of student withdrawals.
- allocation of Credit values.
- claims for related study.
- recording of fee waivers.
- recording of progress for students on open / distance learning programmes.
- claims for non-accredited work experience / placement; and
- claims for collaborative provision.

1.1.2 For academic year 2020/21 we established that there had been no significant changes to the systems and procedures used in the compilation of the returns. We then carried out detailed testing, as necessary, to enable us to conclude that the systems and procedures were working satisfactorily. Detailed analytical review was carried out, including a comparison with last year's data, and obtaining explanations for significant variations by Price Group.

1.1.3 As requested by the Credits Audit Guidance this report indicates: the scope of the audit; the approach taken; an indication of analytical review work performed; the extent of checking undertaken; the external data examined; review of prior year recommendations; and the main findings from our audit work. As requested by the guidance, the report also includes a summary of adjusted and unadjusted errors found during the course of the audit.

## 2. Systems and Procedures for Compilation of Returns

### 2.1 Introduction

- 2.1.1 Detailed testing at the year-end Credits audit included two main tests on courses and individual students.
- 2.1.2 The following tests were carried out for a sample of 15 courses selected from the UNIT-e system:
- a) Ensured that the course met the criteria for fundable activity set out in the Credits guidance.
  - b) Where applicable, ensured that the course met the definition of further or higher education set out in the Credits guidance.
  - c) Ensured that courses recorded as full-time met the definition for full-time as set out in the Credits guidance.
  - d) Checked the student total for a programme against course / class lists or course / class register. Checked calculation of the required date and ensured that students who had withdrawn prior to this date had been excluded from the Credits count; and
  - e) Checked allocation of Credits to courses is in accordance with the Credits guidance.
- 2.1.3 For a total of 79 students selected from the above courses the following tests were carried out, where applicable:
- a) Ensured that the student met the criteria for fundable activity set out in the Credits guidance.
  - b) Checked back to signed enrolment forms, or electronic equivalent, for the 2020/21 academic year.
  - c) For infill courses, ensured that Credits were allocated according to the modules attended by individual students rather than by the default value for the courses being infilled.
  - d) Checked to student attendance / engagement records and, for withdrawals (including a further sample of 15 full-time students who withdrew within two weeks after the Credits qualifying date), checked that the withdrawal date noted on the system was the last date of physical attendance. It was found that two of the 15 full-time students did not attend after the required date per the attendance records however in both cases no Credits had been claimed for the students and the dates were updated on the system; and
  - e) For students undertaking work experience ensured that the credits value had been calculated in line with the Credits guidance.
- 2.1.4 The following tests were carried out by reviewing records for all College courses:
- a) Confirmed that there were no claims for more than one full-time enrolment per student for 2020/21 and ensured that Credits had not been claimed in respect of courses that were related in respect of subject area, unless progression could be clearly established;
  - b) Confirmed that there were no claims for overseas students and students enrolled on full cost recovery commercial courses; and
  - c) Confirmed that Credits had not been claimed for distance learning students resident outwith Scotland.
- 2.1.5 In relation to European Social Funds (ESF), for a sample of 10 students selected from the College's ESF funded programmes, testing was carried out on the College's systems for administering the additional funding, in line with conditions of grant. This included:
- a) reviewed the eligibility of students flagged for ESF Credits;
  - b) ensured that supporting documentation was held for ESF students, including: a completed participant form; proof of nationality and appropriate notification issued to the student; and
  - c) ensuring that Credits are only claimed for completed modules.

## 2. Systems and Procedures for Compilation of Returns (continued)

### 2.1 Introduction (continued)

- 2.1.6 We reviewed the systems for recording fee waiver entitlement and carried out an analytical review to ensure the accuracy of the fee waiver element of the FES return. For a random sample of 10 part-time students, we confirmed that College staff had verified the entitlement to benefit for nine of them. For one student no supporting documentation was available, and it was established that the student had initially claimed to be eligible for fee waiver but when they were unable to provide supporting evidence, they were invoiced for the full fee. Due to an administrative error the student was left on the fee waiver list, but source of finance has now been changed to self-funded.
- 2.1.7 It was confirmed by the College that there has been no new collaborative activity during 2020/21. Collaboration agreements are in place in relation to programmes delivered in partnership with Dundee City Council and Dundee Repertory Theatre. These agreements have been reviewed by us in previous years and it was confirmed that the programmes meet the requirements for eligibility for funding set out in the Credits guidance. No other collaborative courses were identified during our audit testing.
- 2.1.8 Before signing our audit certificate, we reviewed the final FES online report and the explanations for remaining errors.
- 2.1.9 From our review and testing of the systems and procedures used in the compilation of the returns, we concluded that overall, they were adequate to minimise risk in the areas identified in Annex E of the Credits Audit Guidance and were working satisfactorily as described to us.
- 2.1.10 The remainder of this section discusses issues identified during our review of the 2020/21 student activity data.

### 2.2 Allocation of Credits to Courses

- 2.2.1 Audit testing identified one full-time higher education course (HNC Care and Administrative Practice) where the Credits recorded in UNIT-e did not correlate to the Credits outlined in the course framework or undertaken by students in the year. A total of 16 Credits per student were recorded in UnitE, although the course framework included a total of 15 Credits. Due to the impact of COVID-19 during the year one unit worth one Credit could not be delivered, with students undertaking a maximum of 14 Credits in 2020/21. The Credits claimed were adjusted from 16 to 14 per student during our audit and are summarised at Appendix II.

#### Recommendation

**R1 Ensure that Credits claimed for students are based upon the value of the units listed on the student course record, which reflect the activity delivered in the year, and not based upon a default tariff.**

### 2.3 Distance / Work Based Learning

- 2.3.1 The Credits guidance states that where a programme is delivered by open / distance (flexible) learning methods colleges should have procedures in place to: agree the likely duration of study; set time related milestones; and review progress.

## 2. Systems and Procedures for Compilation of Returns (continued)

### 2.3 Distance / Work Based Learning (continued)

- 2.3.2 Our sample of 15 courses included the distance learning course Getting Ready for College - FE (YPG), for which we were able to agree the Credits value based on the planned learning hours. College management advised that the course was delivered to support students with remote learning which students completed in the form of the College's RISE e-learning package developed by the Learning and Digital Resources team. Assessment of unit outcomes and learning activity was performed by an on-line end of course assessment using Microsoft Quizzes, which the students needed to complete at the end of the course to pass. Audit testing noted that for a sample of six students there was no record of ongoing participation on the course, or evidence of online assessment available, although we were able to verify online enrolment and that each student had been recorded as having successfully passed in UNIT-e. There was a detailed breakdown of the estimated amount of time students would need to work through each element of the course, the learning activity and form of assessment. Management advised that staff were using an application within Microsoft Teams called Insights to record student progress and assessments, however Microsoft made an upgrade during 2020/21 which resulted in Insights no longer being available, and as a result evidence of student progress could no longer be retrieved. The College has since purchased the Insights premium package which allows it to collect the data required for students on this course, but it is not possible to recover previous data. Including other similar courses, 724 Credits has been claimed by the College for this type of activity in 2020/21. For the Getting Ready for College course we noted that the number of students for whom Credits had been claimed was significantly less than the number of students who had initially signed up for the course, indicating that there was a process in place to identify and remove students who had not engaged in the course.
- 2.3.3 For another distance learning course in our sample, Teaching in Colleges Today (SCQF Level 6), it was established that two students had completed their course in August 2020 and there was no progress information for them in 2020/21 because 99% of their course was completed in session 2019/20. The College indicated that the students should have been marked as complete and the 3 Credits each were removed (summarised at Appendix II). Their start date in the system was also incorrect. College management indicated that checks for errors such as this would normally be done as part of the FES housekeeping checks however at the time of our audit fieldwork the College was behind schedule with these checks due to the impact of COVID-19. No other ineligible students were identified from our testing and following review by the College.
- 2.3.4 For a work-based distance learning course, SVQ Level 2 Social Services (Children and Young People), we identified two students on the course for whom Credits were being claimed but there was no evidence of progression, resulting in a potential overclaim of 6 Credits. One student who was only on the course for a short period of time and had withdrawn, and another who had been rolled forward as a continuing student from the previous year in error. In both cases these errors were due to administrative oversights. The Credits were adjusted during our audit and are summarised at Appendix II. No other ineligible students were identified from our testing and following review by the College.
- 2.3.5 Similar issues were also identified in 2019/20 (see **R3** per Appendix V). We have repeated our previous recommendation from 2019/20 and this will be followed up as part of the 2021/22 Credits audit to confirm that the updated College process is operating effectively.

#### Recommendation

**R2 The College should ensure evidence of progression and participation / engagement is retained to evidence eligibility of the Credits claimed for distance / work-based learning students. Where curriculum staff identify that no evidence is available, or that students are no longer engaging this should be notified to the Student Records team to ensure that the Credits are removed from the Credits claim.**



### 3. Analytical Review

3.1 The analytical review by Price Group for the current year, included at Appendix II of this report, showed significant variances in all Price Groups. These were discussed with College management. The explanations we received provided us with additional assurance that the Credits claim does not contain material errors:

- Price Group 1: increase of approximately 1,700 Credits. Due to lockdown, there was a continued decrease in part-time applications within Business, Administration and Highers / National Qualifications. To compensate the College ran additional part-time courses in 2020/21 in short / flexible digital programmes to address the upskill / re-skilling agenda.
- Price Group 2: decrease of approximately 1,300 Credits. Since Brexit changes from January 2021 the College experienced a decrease in applications for part-time English Language Level Tests (ELLT). Full-time computing / digital applications also decreased in 2020/21, with a number of early withdrawals being offered university places.
- Price Group 3: increase of approximately 1,600 Credits. Due to lockdown the College was not able to offer practical classes in these areas therefore a number of programmes required additional learning in this Price Group.
- Price Group 4: increase of approximately 1,200 Credits. Due to lockdown, the College was not able to offer practical classes in these areas therefore a number of programmes required additional learning in this Price Group.
- Price Group 5: decrease of approximately 1,800 credits. Due to COVID-19 restrictions the College was not able to offer normal on-campus face to face learning and so a number of programmes in this area were cancelled.



## Appendix I – Copy of Audit Certificate

Dundee and Angus College  
Old Glamis Road  
Dundee  
DD3 8LE

25 October 2021

Dear Sirs

### **Auditor's Report to the Members of the Board of Management of Dundee and Angus College**

We have audited the FES return which has been prepared by Dundee and Angus College under SFC's Credit Guidance for colleges issued 6 August 2020 and which has been confirmed as being free from material misstatement by the College's Principal in his Certificate dated 8 October 2021. We conducted our audit in accordance with guidance contained in the 2020-21 audit guidance for colleges. The audit included an examination of the procedures and controls relevant to the collection and recording of student data. We evaluated the adequacy of these controls in ensuring the accuracy of the data. It also included examination, on a test basis, of evidence relevant to the figures recorded in the student data returns. We obtained sufficient evidence to give us reasonable assurance that the returns are free from material misstatement.

In our opinion:

- the student data returns have been compiled in accordance with all relevant guidance;
- adequate procedures are in place to ensure the accurate collection and recording of the data; and
- on the basis of our testing we can provide reasonable assurance that the FES return contains no material misstatement.

---

Stuart Inglis  
Director  
For and on behalf of Henderson Loggie LLP  
Chartered Accountants  
Dundee Office  
stuart.inglis@hlca.co.uk

25 October 2021

Date FES returned: 8 October 2021

## Appendix II – Summary of Adjusted and Unadjusted Errors

Report Para	Error identified	Adjusted/unadjusted	Approx. Value
2.2.1	Credits claimed did not agree to course framework and activity undertaken by students during the year.	Adjusted	-56 Credits
2.3.3 & 2.3.4	Credits claimed for students who did not show progression on their distance / work-based learning programmes.	Adjusted	-12 Credits

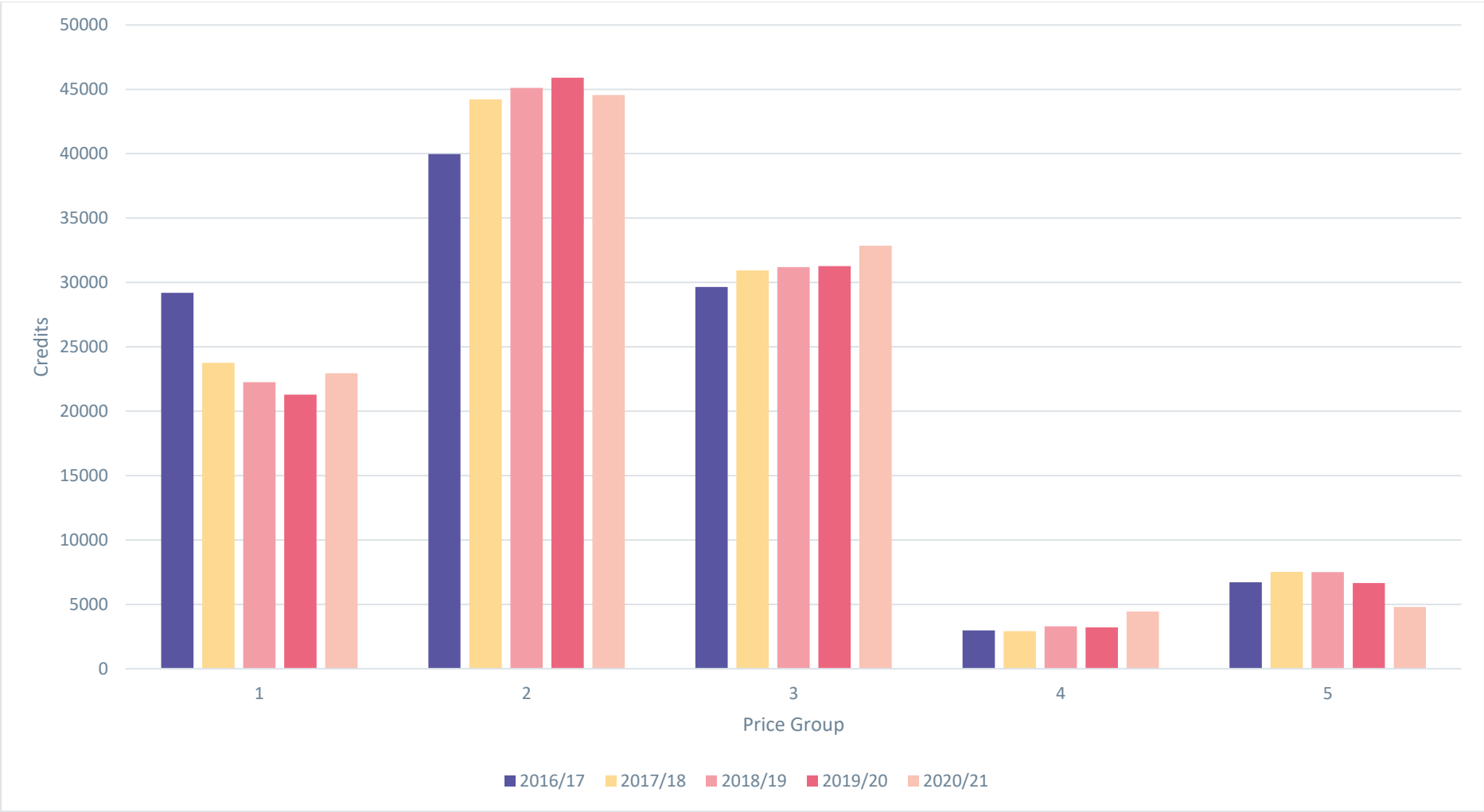
### Appendix III – Price Group Analytical Review 2019/20 and 2020/21 – Figures

Price Group	2019/2020		2020/2021		Variance	Variance
	Credits		Credits		Credits	%
1	21,284		22,940		1,656	7.8
2	45,897		44,561		(1,336)	(2.9)
3	31,279		32,844		1,565	5.0
4	3,220		4,445		1,225	38.0
5	6,651		4,801		(1,850)	(27.8)
	<b>108,331</b>		<b>109,591</b>		<b>1,260</b>	<b>1.2</b>
<b>Total Target Activity</b>			<b>109,267</b>			
<b>Including ESF Target Activity of:</b>			<b>4,091</b>			
<b>ESF Actual Activity</b>			<b>4,592</b>			





Appendix IV – Price Group Analytical Review 2016/17 to 2020/21 – Graph



## Appendix V – Updated Action Plan – Student Activity Data 2019/20

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress at November 2021
<b>Systems and Procedures for Compilation of Returns</b>  <b>Price Groups and Superclass</b>  <b>R1</b> Review course superclass codes to ensure they best describe the academic subject areas.	3	Data Management will continue to monitor on an ongoing basis the Superclass for each course.	Yes	Data Management Team Leader	June 2021	No similar issues identified during 2020/21 audit testing.  <b>Fully Implemented</b>
<b>Distance / Work-Based Learning</b>  <b>R2</b> The College should ensure that a schedule of milestones agreed at enrolment is maintained for all distance learning programmes. This should include a record of the estimated amount of time that students are expected to take to complete each element of the course, to evidence eligibility of the Credits value claimed.	2	All our remote learning material has now been developed to embed the Insights Functionality with milestones throughout to monitor attainment and progress.  We will work with curriculum teams to record this evidence for any new provision.	Yes	Head of Administrative Operations	June 2021	No similar issues identified during 2020/21 audit testing.  <b>Fully Implemented</b>



## 2020/21 Student Activity Data

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress at November 2021
<b>Distance / Work-Based Learning</b>  <b>R3</b> The College should ensure evidence of progression and participation / engagement is retained to evidence eligibility of the Credits claimed for distance / work-based learning students. Where curriculum staff identify that no evidence is available, or that students are no longer engaging this should be notified to the Student Records team to ensure that the Credits are removed from the Credits claim.	<b>3</b>	<p>All remote programmes now have embedded within the learning material, online milestones, and assignments to track and monitor progress and attainment.</p> <p>Data management will work with the appropriate teams throughout the session to remove any student that does not meet this criteria.</p>	Yes	Data Management Team Leader	June 2021	<p>Similar issues noted during audit testing in 2020/21. See paragraphs 2.3.1 – 2.3.4 in Main Report.</p> <p><b><i>Partially Implemented</i></b></p>



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**JOINT AUDIT & RISK,  
FINANCE & PROPERTY COMMITTEE**

**Tuesday 7 December 2021**

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**Internal Audit**

**Student Support Funds**

**PAPER E**

# Dundee and Angus College

**2020/21 Student Support Funds**

**Internal Audit report No: 2021/09**

**Issued: 15 November 2021**



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## Management Summary

### Introduction

Colleges receive **Discretionary Funds** from the Scottish Funding Council (SFC) and the Student Awards Agency for Scotland (SAAS) to provide financial help for students where access to, or continuance in, further or higher education would otherwise be denied due to financial hardship. The maximum payable from both the Further Education Discretionary Fund and the Higher Education Discretionary Fund is normally £4,000 however, as in 2019/20, this limit was relaxed for 2020/21 to allow additional support to be given to students financially impacted by COVID-19.

**Childcare Funds** sit alongside the Discretionary Funds to provide assistance with the cost of formal childcare expenses. From academic year 2011/12, childcare funds for higher education students formerly allocated to colleges by SAAS, were transferred to the SFC who now allocates childcare funding direct to colleges for all eligible further and higher education students. No limit is placed on the amounts individuals can access and colleges have the flexibility to determine award levels themselves. Priority must however be given to lone parents, part-time students and mature students when allocating funds from the Further Education Childcare Fund.

The Discretionary and Childcare Funds must be administered, and payments made, in accordance with SFC and SAAS guidelines.

**Bursary** funds are given to students at the discretion of a college to help maintain that student in their education beyond their compulsory school leaving date. An award can include allowances that cover a student's maintenance, travel and study costs. Colleges can also use bursary funds for allowances to cover costs incurred by a student due to an additional home, their dependants and / or special education needs.

Colleges must apply the terms of the National Policy for Further Education Bursaries, together with applicable legislation and supplementary letters issued by the SFC, when using the funds allocated to them for bursary purposes. The policy sets out the minimum criteria, maximum rates and minimum contribution scales that a college must apply in allocating bursary funds, however, a college may vary the terms of the policy by imposing additional eligibility criteria or conditions. Figures used within the policy to calculate a student's award may be varied, but only in order to reduce the value of an award, although where a college chooses to supplement bursary funds from its own resources it may use the additional resources as it sees fit.

**Education Maintenance Allowances (EMAs)** provide financial support for 16 to 19 year-olds from low income households who are attending non-advanced full-time education at school, college or are home educated. Eligible students receive £30 per week, which is targeted at young people from the lowest income families.

EMAs must be administered, and payments made, in accordance with SFC and Scottish Government guidelines

### Audit Scope

For the 2020/21 academic year three specific fund statements were required for audit:

- Further Education Discretionary Fund, Further and Higher Education Childcare Fund and Bursary Return;
- Higher Education Discretionary and Childcare Fund; and
- Education Maintenance Allowance Return.



### Audit Objectives

The audit objectives were to ensure that:

- The College complies with the terms, conditions and guidance notes issued by SFC, SAAS and the Scottish Government;
- Payments to students are genuine claims for hardship, bursary or EMA, and have been processed and awarded in accordance with College procedures; and
- The information disclosed in each of the returns for the year ending 31 July 2021, is in agreement with underlying records.

### Audit Approach

The audit approach included:

- Reviewing new guidance from SFC, SAAS and the Scottish Government, including additional guidance issued in response to the COVID-19 pandemic, and identifying internal procedures;
- Agreeing income to letters of award;
- Reconciling expenditure through the financial ledger to returns, investigating reconciling items;
- Reviewing College analysis spreadsheets for large or unusual items, obtaining explanations where necessary; and
- Carrying out detailed audit testing, on a sample basis, on expenditure from the funds.

Audit guidance issued by the SFC was utilised.

### Findings and Conclusions

We were able to certify all fund statements for the year and submit these to the appropriate bodies, without reservation.

In our covering letter to SAAS enclosing the audited HE Discretionary and Childcare Return we noted two observations arising from our audit work:

- The College does not operate a separate interest bearing bank account for the HE Discretionary Fund and all transactions are through the College's main bank account. The College uses the Government banking service for all of its financial transactions, on instruction from the Scottish Funding Council, and this account does not pay interest; and
- The 'Funding carried over from previous academic year 2019/20' of £1,332.27 at row a of the 2020/21 return differs from the amount carried forward of £712.74 on last year's audited return. The difference of £619.53 relates to the return of loans made in 2019/20, which were paid back into the fund for utilisation in 2020/21.

Copies of the fund statements and audit certificates are provided at appendices I to III of this report.

### Acknowledgments

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



**Appendix I – Further Education Discretionary Fund, Further and Higher Education Childcare Fund and Bursary Return and Audit Certificate**

# AUDITED FUND ACCOUNTS RETURN 2020/21

## DISCRETIONARY FUND AND/OR CHILDCARE FUND (if appropriate)

### Income and Expenditure

Name of institution: **Dundee and Angus College**

	Undergraduate Discretionary Fund	Postgraduate Discretionary Fund	Childcare Fund (HE only)	COVID-19 Discretionary Fund	TOTAL	ADVICE NOTES
	£	£	£	£	£	
<b>INCOME</b>						
a Funding carried over from previous academic year 2019/20	1,332.27	-	-		1,332.27	
b New allocation received for the academic year 2020/21	182,004.00	-	-		182,004.00	Received in two payments 70% (Jun 20) and 30% (Jan 21)
c Winter Covid Fund Received				222,189.00	222,189.00	Received Feb 2021
d Bank interest received in the academic year 2020/21	-	-	-	-	-	
e Virement/transfer from other funds (HE only) (Enter positive and negative amounts to show transfer between relevant funds )	-	-	-		-	
<b>f Total funds available for disbursement (a+b+c+d+e)=m</b>	<b>183,336.27</b>	<b>-</b>	<b>-</b>	<b>222,189.00</b>	<b>405,525.27</b>	

Validity Checks

<b>EXPENDITURE</b>						
g Funds disbursed (= grand total of k from Report on Funds Expenditure)	181,499.20			213,383.63	394,882.83	
h Winter COVID funds previously returned in March 2021				-	-	
i Unspent COVID-19 additional support to be returned to SAAS by 31 October 21				8,805.37	8,805.37	
j Remaining allocation from 2020/21; funds to be returned to SAAS by 31 October 2021	1,837.07				1,837.07	
<b>k Total disbursement of funds (g+h+i+j)=f</b>	<b>183,336.27</b>	<b>-</b>	<b>-</b>	<b>222,189.00</b>	<b>405,525.27</b>	Provide breakdown on Funds Expenditure tab

NAME: SIMON HEWITT  
(Principal)

SIGNED: 

DATE: 26/10/2021

### AUDITOR'S REPORT

We have examined the books and records of the above institution and have obtained such explanations and carried out such tests as we considered necessary. On the basis of our examination and of the explanations given to us we report that the information set out above is in agreement with the underlying records and in our opinion is in accordance with the relative statutory requirements. We are satisfied that the systems and controls of the administration and disbursement of these funds are adequate, and that an interest bearing account or accounts was in operation for the Funds which are separate from the Institution's account.

\* Delete if not applicable

APPOINTED AUDITOR: HENDERSON  
LOGGIE LLP

SIGNED: 

DATE: 28/10/2021

DIRECTOR  
FOR AND ON BEHALF OF HENDERSON LOGGIE LLP, CHARTERED ACCOUNTANTS

# AUDITED FUND ACCOUNTS RETURN 2020/21

## REPORT ON FUNDS EXPENDITURE

Name of institution: Dundee and Angus College

	Undergraduate Discretionary Fund		Postgraduate Discretionary Fund		Childcare Fund	COVID-19 Fund	TOTAL
	Full Time	Part Time	Full Time	Part Time	Full Time		
	£	£	£	£	£	£	£
a General living expenses	178,846.20	-	-	-		209,957.69	388,803.89
b Travel	150.00	-	-	-		-	150.00
c Childcare	1,713.00	-	-	-	-	-	1,713.00
d Bursary /scholarship		-	-	-		-	-
e Short-term loans not repaid in the academic year	790.00	-	-	-		-	790.00
f Disability diagnosis costs	-	-	-	-		-	-
g Equipment	-	-	-	-		3,425.94	3,425.94
h Audit	-	-				-	-
i Advertising and publicity	-	-				-	-
j Other administration costs	-	-				-	-
<b>k Total</b> (= grand total of (i) from the Income & Expenditure accounts return)	181,499.20	-	-	-	-	213,383.63	394,882.83

Validity Checks

NAME: Simon Hewitt

(Principal)

SIGNED:



DATE:

26/10/2021

# AUDITED FUND ACCOUNTS RETURN 2020/21

## REPORT ON STUDENT NUMBERS

Name of institution: Dundee and Angus College

	Undergraduate Discretionary Fund		Postgraduate Discretionary Fund		Childcare Fund (HE only)	COVID-19 Fund	TOTAL
	Full Time	Part Time	Full Time	Part Time	Full Time		
<b>SUMMARY OF STUDENT NUMBERS</b>							
a Total number of students applying for assistance ( $= b+c$ )	167	-	-	-	-	213	380
b Total number of students assisted	128	-	-	-	-	177	305
c Total number of students refused assistance ( $= a-b$ )	39	-	-	-	-	36	75

For COVID Fund only: of the students in b above, how many were:

d International Students						1	1
e Nursing Students						-	-

### DETAIL OF STUDENT NUMBERS

f General living expenses	122	-	-	-		130	252
g Travel	1	-	-	-		-	1
h Childcare	4	-	-	-	-	-	4
i Bursary /scholarship	-	-	-	-		-	-
j Short-term loans not repaid in the academic year	5	-	-	-		-	5
k Disability diagnosis costs	-	-	-	-		-	-
l Equipment	-	-	-	-		63	63

Validity Checks

NAME: Simon Hewitt

(Principal)

SIGNED:



DATE: 26/10/2021

Please note, a student may be assisted in more than one category therefore the total number of students assisted may not equal the sum of students shown in individual categories.

**Appendix II – Higher Education Discretionary and Childcare Fund  
Return and Audit Certificate**

**college=1002856 - Dundee and Angus College report=Student Support Funding**

College Name: Dundee and Angus College																	College Contact: .....																
College Number: 1002856																	Phone Number: .....																
1st August 2020 - 31st July 2021																																	
		(AAC 1)		(AAC 2)		(AAC 3)		(AAC 4)		(AAC5)		(AAC6)		(AAC 7)																			
Bursary Funds		Student		Parentally		Parentally		Self-		Care-		Universal		Non-		Totals																	
Expenditure		under 18		Supported		Supported		supporting		experienced		Credit		maintenance																			
				(At home)		(Away from home)																											
		Headcount		(£)		Headcount		(£)		Headcount		(£)		Headcount		(£)		Headcount		(£)		Headcount		(£)		Headcount		(£)					
Maintenance Costs		1		763		535 1343065		43 136810		624 2109441		345 2031359		342 292712		0 0		1890 5914150															
Dependents Allowance		0		0		0 0		0 0		0 0		0 0		0 0		0 0		0 0															
Approved Residence Costs		0		0		0 0		0 0		0 0		0 0		0 0		0 0		0 0															
Personal Residence Costs		0		0		0 0		0 0		0 0		0 0		0 0		0 0		0 0															
Study Expenses		1		172		439 48797		41 4491		534 54046		278 27430		301 32388		756 80508		2350 247832															
Travel Expenses		0		0		362 106961		32 8625		454 127762		236 58751		253 64565		666 179039		2003 545703															
Special Educational Needs		0		0		15 11086		0 0		3 1257		15 6006		3 19832		31 54746		67 92927															
Total Bursary		1		934		535 1509936		43 149924		624 2292476		345 2123482		342 409494		874 314290		2764 6800536															
		(AAC 1)		(AAC 2)		(AAC 3)		(AAC 4)		(AAC5)		(AAC6)		(AAC 7)																			
Discretionary Funds		Student		Parentally		Parentally		Self-		Care-		Universal		Non-		Totals																	
Expenditure		under 18		Supported		Supported		supporting		experienced		Credit		maintenance																			
				(At home)		(Away from home)																											
		Headcount		(£)		Headcount		(£)		Headcount		(£)		Headcount		(£)		Headcount		(£)		Headcount		(£)		Headcount		(£)					
FE Discretionary		0		0		11 20537		14 21615		174 317723		22 27171		31 15120		137 19911		389 422077															
Childcare Fund Expenditure																																	
				Headcount		Expenditure (£)																											
Total FE Childcare Fund				170		501295																											
Total HE Childcare Fund *				46		169930																											
* UHI partner colleges to manually enter data on the CSV version of this report.																																	


*The SAS System*

*13:45 Friday, October 08, 2021*

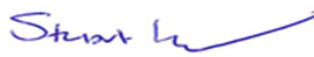
	Part-time		Full-time		Totals	
	Headcount	Expenditure (£)	Headcount	Expenditure (£)	Headcount	Expenditure (£)
FE childcare, lone parent	9	19733	72	241957	81	261690
FE childcare, other	7	14621	84	224984	91	239605
HE childcare, lone parent	0	0	19	78632	19	78632
HE childcare, other	0	0	27	91298	27	91298

We have examined the books and records of the above college and have obtained such explanations and carried out such tests as we consider necessary.  
On the basis of our examination and the explanations given to us, we report that the information set out in these forms is in agreement with the underlying records.  
We also report that in our opinion, the college used these funds in accordance with the Scottish Funding Council conditions.  
We are satisfied that the systems and controls of the administration and disbursement of these funds are adequate. \* Delete if not applicable.

PLEASE RETURN AN ELECTRONIC AND SIGNED PAPER COPY OF THIS FORM TO THE SCOTTISH FUNDING COUNCIL.

\_\_\_\_\_  \_\_\_\_\_  
Principals Signature .....

Auditors Name (in printed capitals) .....HENDERSON LOGGIE LLP.....

  
Auditors Signature....

DIRECTOR  
FOR AND ON BEHALF OF HENDERSON LOGGIE LLP, CHARTERED ACCOUNTANTS

Date of Signature.....26 OCTOBER 2021.....




**Appendix III – Education Maintenance Allowance Return and Audit Certificate**



College: Dundee & Angus  
AY 2020-21

	Full Time students		Part Time Students						Maintenance		Administration				Payments made to College				
College	No of claims FT	Total maintenance FT	No of claims PT	Total maintenance PT	Total Maintenance	Admin Claim (Jan,Feb,July)	Headcount (Oct)	Notes	College Maintenance Adjustment	SubTotal Maintenance (=F+K)	College Admininstratio n Adjustment	Annual Admin payment to be made 2020	Total EMA Admin (=G+S+T)	Total EMA Spend (=L+U)	Month	Adminstration	Maintenance	Total	Balance
August 2020	0	£0	0	£0	£0	£0	0		£0	£0	£0	£0	£0	£0	September 2019	£0	£0	£0	£0
September 2020	4	£120	0	£0	£120	£0	0		£720	£840	£0	£0	£0	£840	October 2019	£0	£840	£840	£0
October 2020	973	£29,190	0	£0	£29,190	£0	0		£0	£29,190	£0	£0	£0	£29,190	November 2019	£0	£29,190	£29,190	£0
November 2020	1,465	£43,950	0	£0	£43,950	£0	0		£0	£43,950	£0	£0	£0	£43,950	December 2019	£0	£43,950	£43,950	£0
December 2020	1,426	£42,780	0	£0	£42,780	£0	0		£0	£42,780	£0	£0	£0	£42,780	January 2020	£0	£42,780	£42,780	£0
January 2021	723	£21,690	0	£0	£21,690	£0	0		£0	£21,690	£0	£0	£0	£21,690	February 2020	£0	£21,690	£21,690	£0
February 2021	1,363	£40,890	0	£0	£40,890	£5,490	421		£0	£40,890	£0	£0	£5,490	£97,380	March 2020	£5,490	£91,890	£97,380	£0
March 2021	1,359	£40,770	0	£0	£40,770	£0	£0		£0	£40,770	£0	£0	£0	£0	April 2020	£0	£0	£0	£0
April 2021	1,407	£42,210	0	£0	£42,210	£0	451		£0	£42,210	£0	£8,000	£8,000	£39,980	May 2020	£8,000	£31,980	£39,980	£0
May 2021	1,305	£39,150	0	£0	£39,150	£0	0		£0	£39,150	£0	£0	£0	£39,150	June 2020	£0	£39,150	£39,150	£0
June 2021	1,002	£30,060	0	£0	£30,060	£0	£0		£0	£30,060	£0	£0	£0	£30,060	July 2020	£0	£30,060	£30,060	£0
July 2021	139	£4,170	0	£0	£4,170	£1,410	460		£0	£4,170	£0	£0	£1,410	£5,580	August 2020	£1,410	£4,170	£5,580	£0
Totals	11,166	£334,980	0	£0	£334,980	£6,900	1332		£720	£335,700	£0	£8,000	£14,900	£350,600		£14,900	£335,700	£350,600	£0

<b>Principal's declaration</b> I certify that the funds claimed by this college throughout the academic year, as detailed above, have been used in line with the requirements of the EMA programme. I confirm that 5% of applications have been checked for compliance with the programme and are enclosed as evidence in support of this return.	
<b>Principal's name (please print)</b> <div>Simon Hewitt</div>	
<b>Principal's signature</b> <div></div>	
<b>Date</b> <div>07/09/2021</div>	

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**Dundee** The Vision Building, 20 Greenmarket DD1 4QB  
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**JOINT AUDIT & RISK,  
FINANCE & PROPERTY COMMITTEE**

**Tuesday 7 December 2021**

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**Internal Audit**

**Follow-Up Summary**

**PAPER F**

# BOARD OF MANAGEMENT



## Audit & Risk Committee

Tuesday 7 December 2021

### Internal Audit Outstanding Actions Follow-up Summary

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#### *Paper for information*

#### 1. Introduction

This report provides an update on the Internal Audit actions that are not yet closed off. These include 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 September 2021 meeting.

		Number of Actions Outstanding (& Priority Grades)		
Audit Area	Report Grades	1	2	3
IT Network Arrangement / IT Strategy	Satisfactory	-	-	1
Finance – Budgetary Control	Satisfactory	-	-	1
Economic Recovery	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, the following progress has been made:

- 2 are Behind Schedule > 3 months (although progress has been made)
- 1 is Complete

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

#### 4. Cyber Incident

As approved at the last Committee the follow up on the final recommendation is being progressed and reported to the Finance & Property Committee so there will no longer be any progress reporting to this Committee.

#### 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. As reported at the last meeting progressing the Business Process Review has restarted with particular focus on:

- Food Poverty & Healthy Eating  
Reduced pricing has been introduced on selected healthy options such as soups, and baked potatoes.  
The Hospitality & Professional Cookery team is delivering healthy eating concepts as part of the curriculum delivery in the New Year.
- Student Food Preparation Area  
The student food preparation area on each campus which includes access to free hot water and microwave facilities are being well-used and valued by students, especially those who are studying in the evenings.
- Student Induction  
At the start of term we offered each student the opportunity to “fuel up for free” on a healthy option each week. Although the uptake was variable, feedback was positive.
- Branding  
All the rebranding signage has been implemented on each campus.



- Climate Emergency  
4, rather than 6, Kickstart Climate Emergency Officers were recruited to support the campus-wide recycling initiatives, initially focused on engaging with students and staff on COP26 and recycling within the catering outlets.
- Working Together  
Food produced by the catering and professional cookery students, where not sold in the “Taste” outlets are scheduled to be sold/advertised from the student catering outlets.
- Opening Times  
Following feedback from students lunchtime opening hours have been reviewed and extended.

#### 6. Fraud Initiative Update

Our second biannual (every 2 years) data-matching exercise was reported to the March 2021 Committee. No further actions were required.

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 September 2021)
2020/03	R3 - Network Arrangements / IT Strategy	3	Satisfactory	Once training has been delivered (reference R2 of report) 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 routinely feature in security reports (or achieve the lowest feedback from information security questionnaires) should be targeted and prioritised for further training.	Learning & Digital Resource Manager	<del>Jun-20</del> <del>Jun-21</del> <del>Sept-21</del> Jun-22	<u>Completed - Student</u>  <u>Behind Scheduled</u> (In Progress) – <b>Staff</b>  New Digital Capability Self Assessments have been created – one for <a href="#">Support</a> and for <a href="#">Academic</a> staff based around CDN's sector-wide digital skills capability tool. The drafts have been reviewed by the Digital Strategy Community Group and final versions will be launched at the start of December, with an interim review in Jan and final report in May 2022.
2021/05	R2 – Budgetary Control	3	Satisfactory	The recurring meetings between the relevant Management Accountant and budget holders should be reinstated and a formal meeting schedule should be established.	Head of Finance / Senior Management Accountant	<del>Sept-21</del> Dec-21	<u>Behind schedule</u> Meetings have resumed on an ad hoc basis following publication of updated budget guidance, departmental reports and forecast timeline, and the regular schedule of



Year	Audit Area Report Title	Priority Action Grade	Report Grade	Action	Responsible Officer	Deadline	Progress (as at September 2021)
							meetings has yet to be agreed.
2021/06	R1 – Economic Recovery	3	Good	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.	Individual Project Leads	Oct-21	<u>Complete</u> A template has been drafted however as the various projects are in their infancy and a recognition the range of initiatives are diverse with some requiring reporting determined by the funder i.e. SFC require reports on FWDF and NTTF/YPG they are not yet in use. The draft template will be considered for use when approved projects would appropriately fit that model. The Tay Cities projects are still at Outline Business Case stage.

**JOINT AUDIT & RISK,  
FINANCE & PROPERTY COMMITTEE**



**Tuesday 7 December 2021**

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**Internal Audit**

**Audit Needs Analysis & Strategic Audit Plan**

**PAPER G**

# Dundee and Angus College

## Audit Needs Assessment and Strategic Plan 2021 to 2024

Internal Audit report No: 2022/01

Draft issued: 26 November 2021

2<sup>nd</sup> Draft issued: 29 November 2021

Final issued:



## Contents

		Page
Section 1	Overview	1 - 2
Section 2	Audit Needs Assessment	3 - 43
Section 3	Strategic Plan	44 - 54



## Overview

We were appointed to provide the internal audit service to Dundee and Angus College ('the College') for financial year 2018/19. This represented the first of two potential twelve-month extensions, which were permitted under the previous contract. It was agreed with the previous Vice Principal - Corporate Services, that a three year Strategic Plan would be prepared in line with the routine planning cycle covering the financial years 2018/29, 2019/20 (the second and final extension year allowed under the previous contract) and 2020/21 (the first year of any new appointment). Therefore, the annual plan delivered for 2020/21 was essentially year three of the previous Strategic Plan developed in 2018.

We were re-appointed as internal auditors of the College for the period 1 October 2020 to 30 September 2023. The College reserves the right to extend the Contract for a further 24 months subject to satisfactory performance and continued College requirements. Therefore, a new Strategic Plan is required which will set out the proposed internal audit activity for financial years 2021/22, 2022/23, and 2023/24.

Internal audit primarily provides an independent and objective opinion to the Board of Management and to the Principal on risk management, control and governance, by measuring and evaluating their effectiveness in achieving the College's agreed objectives. In addition, internal audit's findings and recommendations are beneficial to line management in the audited areas. Risk management, control and governance comprise the policies, procedures and operations established to ensure the achievement of objectives, the appropriate assessment of risk, the reliability of internal and external reporting and accountability processes, compliance with applicable laws and regulations, and compliance with the behavioural and ethical standards set for the College.

Internal audit also provides an independent and objective consultancy service specifically to help line management improve the College's risk management, control and governance.

## Approach to preparing the Audit Needs Assessment

The Audit Needs Assessment (ANA) has been prepared following discussion with members of the College Senior Leadership Team and review of previous internal and external audit reports.

The assessment covers the main areas where the College is exposed to risk that can be managed through internal control, and which therefore should be considered for examination by internal audit. The assessment has taken no account of the resources available to carry out the work.

The ANA is based on the College's Strategic Risk Register and also on the risk prompt list for higher education institutions issued as a guide by the Higher Education Funding Council for England (HEFCE). The prompt list was compiled by HEFCE from information provided by several institutions that had carried out a full risk identification process. Risks were split into eight categories: reputation; student experience; staffing; estates and facilities; financial; commercial; organisational; and information and IT. These categories have been used in this ANA. The above is then supplemented by our own assessment of the risks faced by the College.

Following identification of the key controls and associated risks we have assessed the different areas of risk using the following criteria:

- **Risk Impact**
- **Risk Likelihood**
- **Present Controls**

Where an area of risk is covered by the College's own Strategic Risk Register, we have used the assessment of impact and likelihood set out within that document.

From the combination of results of these three criteria, we have assessed the work required and the resource recommended to test whether the controls are in place and operating, together with a recommendation of the frequency of testing. Previous audit coverage has also been taken into consideration.

## Approach to preparing the Strategic Plan

Following on from the ANA the Strategic Plan has been formulated to cover the 2021/22 to 2023/24 financial years. The Plan places the risk based planned coverage under three main strands: Governance, Financial and Performance. The planned coverage should be reviewed annually prior to the Annual Plan and detailed audit planning being finalised.

There is an expectation by external auditors that some element of review is included in the internal audit programme each year in relation to core financial systems; and budgetary processes and controls. This has been taken into consideration in formulating the Strategic Plan.

## Value for Money

This ANA does not specifically address Value for Money projects. However, VFM is an integral part of all audits and therefore it has been mentioned at points within this ANA. VFM is always considered during any audit work that we are undertaking.

## Business Improvement

We will draw on the experience within our team to provide input on the use of a wide range of business improvement tools, including the use of lean systems and methodologies, where this is appropriate

## Audit Needs Assessment

### Key risks facing the College

There are a number of regulatory, operational and financial risks faced by any organisation. There are also risks that are specific to individual institutions, and which vary over time. All of these risks need to be managed effectively since they cannot be eliminated entirely.

The purpose of this ANA is to identify these risks and assess the audit coverage required to give the Board of Management and Principal assurances that the control environments operated centrally and in Academic Centres and Support Services are effective in reducing the risks to an acceptable level.

Information from ANA interviewees and various documents that we have reviewed identified the following as being the main strategic, operational and financial challenges facing the College at this time.

- Potential loss of reputation with key stakeholders
- Significant reduction in central government funding impacting on the ability of the College to achieve its objectives and requiring focus of limited resources on areas of greatest need;
- availability of funds for capital projects;
- ensuring the continuing financial security and sustainability of the College. Salary and conditions of service pressures may outstrip the ability to pay;
- delivering a relevant and valued curriculum that is aligned with national priorities, and to the needs of the region, employers and students;
- adapting delivery models and new ways of working to meet the changing needs of students whilst maintaining quality and supporting staff to ensure that they are confident in adapting to these new ways of working;
- maintaining effective student engagement, particularly for students engaged in online learning and ensuring equality in access through mechanisms to deal with issues around digital poverty;
- leveraging the benefits of increased partnership working and driving improved value for money through business process review and increased collaboration and co-ordination of services with public and private sector partners;
- future challenges around environmental sustainability;
- diversification and improvement of alternative College income streams to reduce reliance on SFC Grant-in-aid including through: developing international income streams; becoming first choice commercial training provider; and growing volume training contracts; and
- ensuring that records management and data protection protocols are defined and are being consistently applied across the College.

Where risks arising from these issues can be impacted by internal control and subjected to internal audit these have been identified in the ANA and prioritised in the Strategic Plan with reference to the combined risk factors identified in the ANA and the resources allocated by the College to internal audit. Prioritisation affects frequency of visits, the number of days allocated, and the position in the cycle.

Emerging risks, such as environmental sustainability, have been added to our Audit Universe below.

## ANA and Strategic Plan 2021 to 2024 - DRAFT

This assessment covers all main financial systems of the College, and other areas of risk where internal audit can provide assurances regarding control environments. Numbers in brackets below represent cross-referencing to the College's Strategic Risk Register.

The assessment covers the following areas where risk arises, with pages 5 to 43 providing further detail on each category, including key controls and associated risk:





Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<b>REPUTATION</b> Reputational Risk – Loss of reputation with key stakeholders (3.5)	<ul style="list-style-type: none"> <li>Positive, proactive marketing approaches</li> <li>Marketing / comms training for senior staff, including public relations</li> <li>Marketing sense' training for managers.</li> <li>Engagement with relevant external agencies, e.g. PR as needed</li> <li>Policy for responding to press comment.</li> <li>Regular review of press</li> <li>Marketing and brand strategy</li> </ul>	<ul style="list-style-type: none"> <li>Failure to actively manage positive and negative publicity.</li> <li>Lost opportunities / students due to tarnished reputation.</li> <li>Fail to maximise benefits from positive publicity.</li> </ul>	High	Medium	Requires improvement	High
Reputational risk – difficulties or over commitment arising within large scale/national college led initiatives or projects impact negatively (1.4)	<ul style="list-style-type: none"> <li>Failure to actively manage positive and negative publicity</li> <li>Lost opportunities / students due to tarnished reputation</li> <li>Fail to maximise benefits from positive publicity</li> </ul>	<ul style="list-style-type: none"> <li>Ability of the College to meet key regional strategies/objectives</li> <li>Financial loss or unmanageable financial risk</li> <li>Reputational loss</li> </ul>	Medium	Low	Good	Low



Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
Legal actions; serious accident; incident or civil/criminal breach (3.3)	<ul style="list-style-type: none"> <li>Internal policies, procedures and guidelines</li> <li>Staff training</li> <li>Availability of Health and Safety expertise</li> <li>Health, Safety &amp; Wellbeing Committee providing organisational oversight and supporting early warning and action systems</li> <li>Adherence to legislative and good practice requirements.</li> <li>Positive Union relations and staff communication</li> <li>Effective management development programmes</li> <li>Good reporting to management</li> </ul>	<ul style="list-style-type: none"> <li>Failure to effectively manage health and safety, with consequent risk or damage to staff and students.</li> <li>Damage to the College's good standing.</li> <li>Financial penalties and / or loss of income.</li> </ul>	High	Medium	Satisfactory	Medium
Failure to Maintain the Requirements of Legislation particularly in relation to multi-site operation and other operational pressures	<ul style="list-style-type: none"> <li>Equality Impact Assessments taking place as part of ongoing activities</li> <li>Mandatory training around equalities undertaken by staff</li> </ul>	<ul style="list-style-type: none"> <li>Damage to the College's good standing</li> <li>Financial penalties and / or loss of income</li> </ul>	Medium	Low	Good	Low



Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<b>STUDENT EXPERIENCE</b>						
Failure to Develop and Evolve Learning and Teaching and the Curriculum	<ul style="list-style-type: none"> <li>Curriculum planning process</li> <li>Curriculum and Quality Strategy Group.</li> <li>Senior Academic Leadership Team.</li> <li>Overview of Curriculum by Learning, Teaching &amp; Quality Committee</li> </ul>	<ul style="list-style-type: none"> <li>Failure to provide a relevant curriculum that meets the needs of the economy and prepares students for progressing to further study and/or employment.</li> <li>Poor student achievement and learning experience.</li> <li>Lower student recruitment and retention.</li> <li>Failure to meet activity targets</li> <li>Reduction in income</li> </ul>	Medium	Low	Good	Low
Increased Competition from Other Providers	<ul style="list-style-type: none"> <li>Communication with schools, universities, industry and funders</li> <li>Monitoring and awareness of other providers.</li> <li>Performance indicators.</li> <li>Development of new provision aligned to new and emerging market opportunities</li> <li>Focus on maximisation of core activity and contracted activity</li> <li>Marketing strategy and plan</li> <li>Strong student support function to reduce withdrawals.</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in activity levels – core and contracts</li> <li>Failure to meet income levels</li> <li>Negative impact on staff</li> </ul>	High	Medium	Satisfactory	Medium



Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<b>STUDENT EXPERIENCE (CONT'D)</b>						
Failure to Maintain Appropriate Quality Standards	<ul style="list-style-type: none"> <li>Quality policy, procedures and standards overseen by Quality Team arrangements, S&amp;R processes and SALT.</li> <li>Curriculum planning process.</li> <li>Internal Quality Assurance Panel</li> </ul>	<ul style="list-style-type: none"> <li>Failure to meet teaching quality expectations of the students resulting in high withdrawal rates</li> <li>Inability to provide students with certification from awarding body</li> <li>Reputational risk</li> </ul>	Medium	Low	Satisfactory	Medium
Failure to Reach Aspirational Standards in Learning, Teaching and Service Delivery (3.1)	<ul style="list-style-type: none"> <li>Overview of Curriculum by Learning, Teaching and Quality committee.</li> <li>Senior Academic Leadership Team</li> <li>Clear quality arrangements and priority actions.</li> <li>Continuous self-evaluation and action planning.</li> <li>Effective use of performance indicators. Student / staff feedback.</li> <li>Application of Professional Standards for Lecturers</li> <li>Clear and proactive approaches to managing and promoting health, safety and wellbeing</li> </ul>	<ul style="list-style-type: none"> <li>Failure to provide a relevant curriculum that meets the needs of the economy and prepares students for progressing to further study and/or employment</li> <li>Poor student achievement and learning experience.</li> <li>Lower student recruitment and retention.</li> <li>Failure to meet activity targets</li> <li>Reduction in income</li> </ul>	Medium	Low	Good	Low



Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<b>STUDENT EXPERIENCE (CONT'D)</b>  Lack of Effective Student Support	<ul style="list-style-type: none"> <li>• Relevant policies – Recruitment; Access and Inclusion; Guidance and Counselling; and Student Support.</li> <li>• Well-developed induction processes.</li> <li>• Linkages with external bodies ensure that early intervention and tailored advice is provided.</li> <li>• Close liaison between the Student Funding Team and the Guidance Team provides increased capacity to deal with enquiries from students on funding issues</li> <li>• Personal Learning Support Plans. Student satisfaction surveys.</li> <li>• Estates Strategy.</li> </ul>	<ul style="list-style-type: none"> <li>• Lower student recruitment and retention.</li> <li>• Reduction in income, and so need to find funding from other sources.</li> <li>• Failure to meet activity targets</li> <li>• Reduction in income</li> </ul>	High	Low	Good	Medium
Failure to Meet Prevent and Related Obligations (3.9)	<ul style="list-style-type: none"> <li>• Prevent training.</li> <li>• Staff awareness and contingency planning.</li> <li>• Engagement / practice sharing with local agencies.</li> </ul>	<ul style="list-style-type: none"> <li>• Failure to meet specific statutory duties related to the care of students.</li> <li>• Reputational risk</li> </ul>	High	Low	Good	Low



Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<b>STUDENT EXPERIENCE (CONT'D)</b>  Management of Disciplinary / Appeals Procedures	<ul style="list-style-type: none"> <li>• Internal Verification procedures</li> <li>• Awarding Body External Verification activities</li> <li>• Policies and procedures manual.</li> <li>• Appeals committee.</li> <li>• Internal Quality Assurance Panel</li> </ul>	Inaccurate assessment of student academic performance and / or unfair appeals and disciplinary process. Reputational risk.	Medium	Low	Good	Low



Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<b>STAFFING</b>						
Failure to Comply with Employment Legislation	<ul style="list-style-type: none"> <li>Positive union relations</li> <li>Collaboratively developed policies and procedures which are well understood by unions, managers and staff</li> <li>Regular training and professional updating of People Team</li> </ul>	<ul style="list-style-type: none"> <li>Failure to adhere to employment legislation and standards of good practice</li> <li>Industrial action / employment tribunals / damage to reputation</li> <li>Potential litigation including punitive damages</li> <li>Unable to attract talent as poor reputation as employer</li> </ul>	High	Low	Satisfactory	Medium
Contentious Staffing Policies	<ul style="list-style-type: none"> <li>Policy Review Group in partnership with unions and a range of staff groups and committees</li> <li>HR policies and procedures are regularly reviewed</li> <li>Development Review process and access to training and development</li> <li>Equal opportunities monitoring information</li> <li>Human Resource and Development committee and Equality Strategy Group</li> <li>Adherence to legislative and good practice requirements</li> </ul>	<ul style="list-style-type: none"> <li>Impact on reputation and finances of continual industrial action</li> <li>Unable to attract talent as poor reputation as employer</li> <li>Reputational damage in wider community</li> <li></li> </ul>	Medium	Low	Good	Low



Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<b>STAFFING (CONT'D)</b>						
Failure to effectively manage Industrial Relations Problems (3.7)	<ul style="list-style-type: none"> <li>• Positive union relations and staff communication</li> <li>• Joint Consultation Forum</li> <li>• Regular review of terms and conditions of employment, and remuneration</li> <li>• Effective management development programmes</li> <li>• Adherence to legislative and good practice requirements</li> <li>• Industrial action continuity planning</li> </ul>	<ul style="list-style-type: none"> <li>• Impact on learning of students through industrial action or action short of strike</li> <li>• Unable to attract talent as poor reputation as employer</li> <li>• Reputational damage in wider community</li> </ul>	Medium	Medium	Satisfactory	Medium
National bargaining outcomes impact adversely on college operations, activity and flexibility (3.6)	<ul style="list-style-type: none"> <li>• Influence and engagement with Employers Association</li> <li>• Management of bargaining outcomes and implementation</li> <li>• Engagement with national discussion, policy and strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Unintended consequences in terms of affordability of salary, terms and conditions outcomes which could affect staff wellbeing and / or student experience</li> <li>• Lack of flexibility in workforce leading to fiscal challenges</li> </ul>	High	Medium	Satisfactory	Medium





Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<b>STAFFING (CONT'D)</b>						
Difficulty in Recruiting and Retaining Appropriate Staff	<ul style="list-style-type: none"> <li>Constant review of remuneration package - Clear promotion of 'full package' of college employment benefits</li> <li>Following inclusivity good practice</li> <li>Analysis of recruitment trends</li> <li>Clear and well publicised recruitment exercises</li> </ul>	<ul style="list-style-type: none"> <li>Failure to attract, develop and retain academic staff of sufficient calibre and standing to maintain standards</li> <li>Inability to attract and retain specialist non-academic staff to deliver key skills and services</li> <li>Loss of capacity, key skills and experience</li> <li>Disruption to operations / services and possible impact on working and learning experiences</li> <li>Fail to attract sufficient high quality students</li> </ul>	Medium	Low	Good	Low
Failure to develop staff	<ul style="list-style-type: none"> <li>Promotion on merit rather than longevity - 'Development Review process and GTCS Professional Update.</li> <li>Talent Management policies and broad calendar of CPD / PL for staff, as well as individually tailored options</li> <li>Develop succession planning strategy</li> <li>Designated CPD / PL facilities</li> </ul>	<ul style="list-style-type: none"> <li>Staff unable to perform as required, impacting services or student experience</li> <li>Lack of skills to develop new courses / stay relevant within the marketplace / stagnation of skills</li> <li>Staff wellbeing suffers, therefore student experience is impacted</li> </ul>	Medium	Low	Good	Low



Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<b>STAFFING (CONT'D)</b> Failure to meet the aspirational standards in respect of the health, safety, wellbeing and development of staff and students (3.4)	<ul style="list-style-type: none"> <li>• Clear and proactive approaches to managing and promoting health, safety and wellbeing</li> <li>• Continuous self-evaluation and action planning</li> <li>• Rigorous CPD / PL arrangements in place</li> <li>• Regular staff and learner feedback arrangements</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of productivity or support which diminishes services and experience available to students, partners and stakeholders</li> <li>• Injury or harm to individuals in the D&amp;A community</li> <li>• Reputational damage</li> </ul>	High	Medium	Good	Medium
College arrangements do not minimise risk associated with modern slavery (3.10)	<ul style="list-style-type: none"> <li>• Clear and compliant procurement arrangements and procedures</li> <li>• Staff identity checking arrangements and use of PVG</li> </ul>	<ul style="list-style-type: none"> <li>• Impact on those affected by modern slavery</li> <li>• Reputational damage</li> </ul>	Medium	Medium	Satisfactory	Medium



Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<b>STAFFING (CONT'D)</b>  Failure to maintain controls over payroll	<ul style="list-style-type: none"> <li>Budget managers must ensure that the Vice Principals – Corporate Services and People &amp; Performance are provided promptly with all information they may require in connection with the appointment, resignation or dismissal of employees.</li> <li>Senior Leadership Team approval required for new posts.</li> <li>All payroll variances (sick leave, timesheets, t&amp;s etc.) authorised by Heads of Centre.</li> <li>Part-time lecturers hours monitored against contracted hours by Heads of Centre.</li> <li>Head of Finance signs-off exception reports prior to pay run.</li> <li>Any severance scheme, and any special severance payment over £1,000, must be approved by the SFC.</li> </ul>	<ul style="list-style-type: none"> <li>Employees are paid incorrect amounts.</li> <li>Payments are made for non-existent employees or for work not actually performed.</li> </ul>	Medium	Medium	Good	Low



Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<b>ESTATES AND FACILITIES</b>						
Erosion of campus infrastructure, backlog maintenance requirements and maintenance of essential student services	<ul style="list-style-type: none"> <li>Regular property condition surveys</li> <li>Clearly identified backlog maintenance priorities</li> <li>Securing sufficient funding to maintain estate</li> <li>Estates Strategy</li> <li>Regular reporting to the Finance &amp; Property Committee.</li> </ul>	<ul style="list-style-type: none"> <li>Failure to identify, prioritise and fund maintenance needs.</li> <li>Deterioration of property</li> <li>Significant costs incurred not included in financial plans</li> <li>Disruption to teaching</li> <li>Impact on ability to recruit to an unsatisfactory learning environment</li> </ul>	Medium	Low	Good	Low
Failure to maintain effective physical security	<ul style="list-style-type: none"> <li>Regular review of security arrangements, including consulting with police</li> <li>Regular property condition surveys</li> <li>Planned maintenance of alarm systems.</li> <li>Out of hours monitoring of alarm systems</li> </ul>	<ul style="list-style-type: none"> <li>Theft or damage to equipment / IT hardware and compromising safety of staff and students.</li> <li>Financial Loss</li> </ul>	Medium	Low	Good	Low

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<b>ESTATES AND FACILITIES (CONT'D)</b>						
Disruption to operations following loss or breakdown of key equipment	<ul style="list-style-type: none"> <li>• Appropriate security system / staff.</li> <li>• Regular maintenance of key equipment.</li> <li>• Regular review of security arrangements, including consulting with police.</li> <li>• Insurance arrangements.</li> </ul>	Loss of movable assets. Inability of the College to function properly Fail to provide services to students.	High	Low	Good	Medium
Demands of capital developments/maintenance impacts on financial sustainability or delivery of learning and/or services (2.6)	<ul style="list-style-type: none"> <li>• Multi-year estates strategy and capital planning</li> <li>• Lobbying of SFC on capital and backlog maintenance funding</li> <li>• Planning for D&amp;A Foundation bids</li> <li>• 'Shovel Ready' projects identified</li> </ul>	Impact on recruitment and quality of learning and teaching and delivery of services Inability to keep up to date with equipment & technology for modern delivery of learning and services. Challenge ability to maintain financial sustainability	Low	Low	Satisfactory	Low



Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<b>ESTATES AND FACILITIES (CONT'D)</b>  Failure to maintain effective fleet / asset management	<ul style="list-style-type: none"> <li>• Maintenance of inventory of assets and regular physical inspection.</li> <li>• Adequate control over the use of assets for College business, especially portable, desirable items (e.g. computer equipment).</li> <li>• Proper authorisation for asset acquisition.</li> <li>• Proper processing and recording of expenditure on acquisitions and income from disposals.</li> <li>• Proper maintenance of assets and testing of electrical items</li> <li>• Business Continuity Plans.</li> </ul>	<ul style="list-style-type: none"> <li>• Inappropriate use may be made of College assets.</li> <li>• Unauthorised expenditure may be made on assets.</li> <li>• Old / valuable assets may not be maintained adequately resulting in financial loss.</li> <li>• Non-compliance with Health and Safety regulations.</li> </ul>	Medium	Low	Good	Low



Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<b>ESTATES AND FACILITIES (CONT'D)</b>  Failure to meet all regulatory requirements	<ul style="list-style-type: none"> <li>Regular review of legislation requirements, such as the Fire Precautions (Workplace) Regulations 1997 and the Equal Opportunities and Disability Discrimination Legislation.</li> <li>Clear Planned/Statutory Maintenance Strategy</li> <li>Regular updating of skills as part of the CPD programme and Development Reviews process.</li> <li>Health and Safety Officer, and reporting to Health, Safety &amp; Wellbeing committee.</li> <li>Regular inspection by authorities. Realistic Estates Strategy.</li> </ul>	<ul style="list-style-type: none"> <li>Failure to comply with statutory requirements leads to prosecution or close down of some buildings.</li> <li>Disruption to teaching.</li> <li>Damage to reputation.</li> </ul>	High	Low	Good	Medium
Insufficient funds for capital projects	<ul style="list-style-type: none"> <li>Effective option appraisal of capital items.</li> <li>Effective links of capital expenditure to Regional Outcome Agreement.</li> <li>Effective budget approval process.</li> <li>Finance &amp; Property Committee.</li> <li>Clear Learning and Teaching Strategy</li> </ul>	<ul style="list-style-type: none"> <li>Fail to expand and offer suitable courses.</li> <li>Facilities not adequate.</li> <li>Fail to attract sufficient students.</li> <li>Impact on potential for external income.</li> </ul> No Current Funding Model in place for significant projects	High	Medium	Satisfactory	High



Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<b>ESTATES AND FACILITIES (CONT'D)</b>						
Failure to maintain effective selection and management of third party contractors	<ul style="list-style-type: none"> <li>• Policies and procedures manual.</li> <li>• Ensure robust procurement process with weighted quality element</li> <li>• Responsibility for planning and implementation of projects assigned to Project Manager.</li> <li>• Appoint Independent Quality Control</li> </ul>	<ul style="list-style-type: none"> <li>• Contractor under performance.</li> <li>• Projects not delivered on time/meet quality requirements/over-budget</li> </ul>	High	Low	Good	Low
Failure to effectively manage projects over time	<ul style="list-style-type: none"> <li>• Regular reporting to management and review by Finance and Property committee.</li> <li>• Checks on contractor insurance cover.</li> <li>• Independent Project Management/QS</li> <li>• Regular Project progress Meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Fail to complete new projects / maintenance on schedule.</li> <li>• Disruption to teaching.</li> <li>• Deterioration of property stock.</li> </ul>	High	Low	Good	Low





Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<b>ESTATES AND FACILITIES (CONT'D)</b>  Failure to maintain effective capital authorisation / control procedures  Projects over budget	<ul style="list-style-type: none"> <li>• Policies and procedures manual.</li> <li>• Approval of major capital projects by the Senior Leadership Team; Board of Management and relevant committees.</li> <li>• Good quality information presented to Board of Management and committees.</li> <li>• Regular monitoring of expenditure on capital projects against budget and reporting to management. Review by Finance &amp; Property committee</li> <li>• Robust tender process - price certainty.</li> <li>• Independent advice from external consultants.</li> <li>• Independent Project Management/QS</li> </ul>	<ul style="list-style-type: none"> <li>• Poor investment decisions leading to overspend on capital projects and stretching financial resources on an ongoing basis.</li> </ul>	Medium	Low	Good	Low
		<ul style="list-style-type: none"> <li>• Failure to identify and take action against overspends on capital projects.</li> <li>• Challenge ability to maintain financial sustainability</li> <li>• Impact of Brexit</li> <li>• Impact of Covid</li> </ul>	Medium	Medium	Satisfactory	Medium
Ineffective use of space within estate and lack of suitable accommodation for development of academic and support activities	<ul style="list-style-type: none"> <li>• Space utilisation surveys.</li> <li>• Estates Strategy.</li> <li>• Collaboration between Estates and Curriculum and Quality teams</li> <li>• Effective use of Service Design process</li> <li>• Regional Outcome Agreement and activity plans.</li> <li>• Integrated timetabling and room allocation process.</li> </ul>	Failure to provide a relevant curriculum that meets the needs of the economy and prepares students for progressing to further study and/or employment. Increased costs Fail to expand and offer suitable courses. Fail to attract sufficient students.	Low	Low	Good	Low



Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<b>FINANCIAL</b>						
College may be disadvantaged by changes to either UK or Scottish Government policies (1.2)	<ul style="list-style-type: none"> <li>Diversify sources of funding to decrease reliance on any one source.</li> <li>Monitoring of Government / SFC attitude through Senior Leadership Team review of SFC Circulars etc.</li> <li>Effective environmental scanning</li> <li>Negotiation/influence at national level</li> </ul>	<ul style="list-style-type: none"> <li>Adverse effect on the College's funding settlement and autonomy to generate non-core income.</li> <li>Adverse effect on the College's future viability.</li> <li>Worst case, a recovery plan can be imposed.</li> </ul>	Medium	Low	Satisfactory	Low
College disadvantaged by changes arising from UK leaving European Union (1.3)	<ul style="list-style-type: none"> <li>Regular meetings with MSPs, Scottish Government and SFC.</li> <li>Negotiation/influence at national level</li> <li>Review of activities/ projects</li> <li>Responsiveness to new opportunities</li> <li>Regular meetings with MSPs, Scottish Government and SFC.</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in student numbers from EU</li> <li>Absence of funding opportunities to engage in strategically important projects or staff/student mobility activity.</li> <li>Loss of project contribution and threat to job security of staff engaged on projects.</li> <li>College cannot retain or retain EU nationals</li> <li>Increased consumable costs and supply disruption.</li> </ul>	Low	Medium	Satisfactory	Low



Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<b>FINANCIAL (CONT'D)</b>						
Change in SFC funding methodology and allocation – reduction in funding (2.1)	<ul style="list-style-type: none"> <li>Political lobbying and relationship building with potential collaborative partners.</li> <li>Strategy reviews.</li> <li>Negotiation/influence at national level</li> <li>Annual budgeting and FFR process</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in share of funding</li> <li>Budget uncertainty</li> </ul>	Medium	Medium	Satisfactory	Low
Failure to achieve institutional sustainability (2.2)	<ul style="list-style-type: none"> <li>Review of activities / projects.</li> <li>Robust annual budget-setting including risk assessment and multi- year financial strategic planning.</li> <li>Effective budgetary control.</li> <li>Implementation of further efficiency savings.</li> <li>Effective environmental scanning.</li> <li>Responsiveness to new opportunities.</li> <li>Protection of funding through dialogue with SFC</li> <li>Where required, swift reactive action to implement savings</li> <li>Strong focus on commercial provision</li> </ul>	<ul style="list-style-type: none"> <li>Insufficient cash generated to meet financial obligations and deliver required outcomes.</li> <li>Contraction of operational services and provision for learners.</li> <li>Loss of staff/redundancies.</li> <li>Detrimental impact on community.</li> <li>Reputational damage and impact on future recruitment.</li> </ul>	Medium	Low	Satisfactory	Medium



Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<b>FINANCIAL (CONT'D)</b>						
Failure to achieve SFC contract – loss of fees – Grant In Aid	<ul style="list-style-type: none"> <li>Robust student data on recruitment and credit generation closely monitored and reported to Senior Leadership Team and Senior Academic Leadership Team.</li> <li>Remedial action taken promptly when required to ensure targets are achieved.</li> <li>Constructive dialogue with SFC.</li> </ul>	<ul style="list-style-type: none"> <li>Absence of sufficient demand/changes in demographics outwith College control</li> <li>Loss of income.</li> <li>Fail to meet financial liabilities.</li> <li>Loss of influence with SFC.</li> <li>Can threaten Financial Sustainability</li> </ul>	Medium	Low	Good	Low
Failure to reach non-Grant In Aid income targets	<ul style="list-style-type: none"> <li>Income forecasts cautiously established and regularly updated.</li> <li>Use of non-financial data to influence and collaborate targets.</li> <li>Monitoring and remedial actions for budget deviations.</li> </ul>	<ul style="list-style-type: none"> <li>Loss of income. Staff cuts.</li> <li>Reputational damage if training contracts not fully delivered.</li> <li>Can threaten Financial Sustainability</li> </ul>	Medium	Medium	Satisfactory	Medium



Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<b>FINANCIAL (CONT'D)</b>						
Salary and conditions of service pressures outstrip ability to pay (2.3)	<ul style="list-style-type: none"> <li>Secure non-SFC sources of funding to reduce impact of increases.</li> <li>Regular review of staff resource requirements.</li> <li>Management of staffing expenditures and monthly pay comparisons with budget/forecast.</li> <li>Influence within Employers Association.</li> </ul>	<ul style="list-style-type: none"> <li>Limited influence over sector National Bargaining outcomes.</li> <li>Staff costs rise ahead of funding inflation.</li> <li>Fail to meet other liabilities.</li> <li>Staff cuts result in inadequate teaching and other resource.</li> <li>Redundancies.</li> </ul>	High	Low	Satisfactory	Low
Management of day to day staff resource	<ul style="list-style-type: none"> <li>Budget holder oversight of deployment of staff resources.</li> <li>Post business request process for staffing request changes/new posts</li> <li>Efficient timetabling of staff</li> </ul>	<ul style="list-style-type: none"> <li>Overspend in pay costs</li> <li>Challenge ability to maintain financial stability</li> </ul>	Low	Medium	Satisfactory	Low



Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<b>FINANCIAL (CONT'D)</b>  Ineffective budgetary control of the College's financial resources	<ul style="list-style-type: none"> <li>Financial Regulations provide solid framework for good financial control.</li> <li>College Budget considered by Finance &amp; Property Committee and approved by Board of Management.</li> <li>Detailed Budget Guidance produced for Budget Holders</li> <li>Cost Centre Income &amp; Expenditure reports produced monthly for Budget Holders, comparing actual vs Budget or Forecast, annotated by Finance to highlight potential areas of concern.</li> <li>Reports include accruals accounting for expenditure and provide ancillary commitment reports.</li> <li>Production of project and other ad hoc reports.</li> <li>Regular dialogue between Finance and Budget Holders, and Budget Holders and Executive/SLT line manager.</li> </ul>	<ul style="list-style-type: none"> <li>Failure of Academic Centres and Support Services to exercise budgetary control, leading to overstretching expenditure commitments.</li> <li>Steps are not taken to manage unexpected increases in costs or decreases in income to minimise the impact on the final out-turn, and achievement of strategic aims.</li> <li>An unexpected cash deficit is incurred.</li> <li>Adverse impact on College operations and growth.</li> <li>Failure to identify reduction in forecast expenditure or increase in income may limit opportunity to take advantage of increased investment potential</li> <li>Reliance upon reports for decision making is compromised.</li> <li>Can threaten financial sustainability.</li> <li>Damage to reputation.</li> </ul>	High	Low	Good	Low



Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<b>FINANCIAL (CONT'D)</b>	<ul style="list-style-type: none"> <li>Monthly Overview reports prepared for Executive.</li> <li>College Management Accounts prepared for consideration by Senior Leadership Team.</li> <li>Most recent Management Accounts prepared for each meeting of Finance &amp; Property Committee with commentary explaining variances and an updated Risk Assessment.</li> </ul>					
Student fee Income is not raised or recorded	<ul style="list-style-type: none"> <li>A 'Sales Invoice - Student Record System' Financial Procedure details the process required to ensure that:</li> <li>Enrolment procedures are sufficient to ensure accuracy of student records information.</li> <li>All fees are correctly and timely processed.</li> <li>Fees in finance system is regularly reconciled with data in Student Record System to ensure completeness and accuracy.</li> <li>Direct Debits and Recurrent Card Payment software is used to automate instalment collection.</li> </ul>	<ul style="list-style-type: none"> <li>The risk here is that all fee income will not be raised, or that receipts will not be properly recorded and banked.</li> </ul>	Medium	Medium	Satisfactory	Medium



Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<b>FINANCIAL (CONT'D)</b> Financial fraud (2.4)	<ul style="list-style-type: none"> <li>Adherence to quality procedures.</li> <li>Fraud, bribery &amp; corruption policy.</li> <li>Raising Concerns Policy Statement (whistleblowing) and Procedural Guidance Notes.</li> <li>Strong financial controls: segregation of duties and review of transactions.</li> <li>Review of impact of any changes in structure or duties.</li> <li>Internal audit assignments across all College activities.</li> <li>External audit provides limited assurance.</li> </ul>	<ul style="list-style-type: none"> <li>Fraud and theft.</li> <li>Loss of assets, financial loss to the College.</li> <li>Adverse publicity and reputational damage.</li> </ul>	Medium	Low	Good	Low
D&A Foundation refuses / withholds funding for key College priorities (2.5)	<ul style="list-style-type: none"> <li>Ongoing dialogue with Foundation trustees.</li> <li>Appropriate bid arrangements in place.</li> </ul>	<ul style="list-style-type: none"> <li>Adverse impact on College operations and growth.</li> <li>Inability to fund future capital expenditure.</li> </ul>	High	Low	Good	Low





Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<b>FINANCIAL (CONT'D)</b>  Failure to maintain effective control over Main Financial Systems:  <b>General Ledger</b>	<ul style="list-style-type: none"> <li>Quarterly management accounts prepared for the College Senior Leadership Team and the Finance and Property Committee.</li> <li>Ledger structure such that it allows data to be extracted per cost centre and give meaningful figures to the budget holders.</li> <li>Monthly 'pay' and 'non-pay' budget monitoring reports issued to Heads of Centre / Sector.</li> <li>'Risk Alert Notification' forms are completed for any significant budget over spends.</li> <li>Annual accounts prepared in accordance with statutory requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Financial management information is not available to inform management decisions.</li> <li>Annual accounts preparation is un-necessarily time consuming, or proper accounts cannot be produced.</li> <li>Financial returns are time consuming to produce or deadlines are missed.</li> </ul>	Medium	Low	Good	Low



Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<b>FINANCIAL (CONT'D)</b>  Failure to maintain effective control over Main Financial Systems:  <b>Procurement and creditors / purchasing</b>	<ul style="list-style-type: none"> <li>• Process for ordering, receipt of goods / services and authorisation of invoice for payment set out in detailed Financial Procedures.</li> <li>• Financial Regulations specify tendering / purchasing procedures and authorisation limits.</li> <li>• Procurement Strategy, Policy and Procedure determine a compliant approach to procurement</li> <li>• Online purchase order requisitioning and goods receipting system ensures timely recognition of expenditure.</li> <li>• APUC appointed Procurement Manager via Shared Service Agreement as part of a larger Tayside Region Procurement Team in post.</li> <li>• APUC and other consortium frameworks used where these provide 'best value'.</li> <li>• Monthly review of supplier statements for significant inaccuracies or omissions.</li> </ul>	<ul style="list-style-type: none"> <li>• Costs of goods and services may be higher than necessary.</li> <li>• Payment may be made for goods and services not received or authorised by the College.</li> <li>• Procurement may be non-compliant.</li> </ul>	Medium	Low	Good	Low



Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<b>FINANCIAL (CONT'D)</b>  Failure to maintain effective control over Main Financial Systems: (CONT'D):  <b>Debtors / Income</b>	<ul style="list-style-type: none"> <li>Processes for invoicing and income handling are set out in detailed Financial Procedures.</li> <li>Duly authorised Invoice Request form reviewed by Finance.</li> <li>Sales Credit Note approved in accordance with Financial Procedure.</li> <li>Adequate debt management and recovery procedures are in place, including authorisation for writing off bad debt.</li> <li>Specialist software module used to manage debt and produce pre-determined reminders.</li> <li>Aged debt listing reviewed on a monthly basis and standard reminder letters produced.</li> <li>Defaulting student details are shared with academic departments prior to exclusion or withdrawal.</li> <li>Non-financial levers will be considered</li> <li>Debt collection company/solicitors used when necessary and appropriate as a last resort</li> <li>Appropriate procedures are in place for writing off debts in accordance with thresholds set out in the Financial Regulations.</li> </ul>	<ul style="list-style-type: none"> <li>All income due may not be received.</li> <li>Receipts may not be properly processed and banked.</li> </ul>	Medium	Medium	Satisfactory	Medium



Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<b>FINANCIAL (CONT'D)</b>  Failure to maintain effective control over Main Financial Systems: (CONT'D):  <b>Cash and Bank &amp; Treasury Management</b>	<ul style="list-style-type: none"> <li>• Government banking scheme.</li> <li>• Process for receipt of cash set out in detailed Financial Procedure.</li> <li>• Automated receipting system (CAPITA) in place.</li> <li>• Process for authorising, controlling and recording: computerised cheques; manual cheques; and BACS payments; and petty cash expenditure set out in detailed Financial Procedures.</li> <li>• Preference for electronic processing of payments.</li> <li>• Increasing use of prepaid cards minimise cash handling.</li> <li>• Cashflow forecasts updated monthly and submitted to SFC in support of monthly drawdown of grant income.</li> <li>• All bank accounts are promptly reconciled monthly and reviewed and signed by the Head of Finance.</li> <li>• Vice Principal – Corporate Services and Head of Finance monitor bank balances regularly online</li> </ul>	<ul style="list-style-type: none"> <li>• All receipts and payments may not be properly recorded.</li> <li>• All income may not be banked or properly accounted for.</li> <li>• Cash &amp; Bank balances are incorrect.</li> <li>• Monthly cash balances are insufficient for immediate needs.</li> </ul>	Medium	Low	Good	Low

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<b>COMMERCIAL</b>						
Prevention and response to external claims against the College for breach of contract	<ul style="list-style-type: none"> <li>Financial Regulations require that goods / services provided to external bodies are the subject of a binding and clearly worded legally contractual agreement.</li> <li>Senior staff are responsible for entering into contractual agreements.</li> <li>Opportunity for review by legal and other professional advisers prior to signing.</li> <li>Expertise of staff formulating these agreements.</li> <li>Regular monitoring of progress. Regular liaison with funders.</li> </ul>	<ul style="list-style-type: none"> <li>Breach of commercial contracts.</li> <li>Potential litigation, possible punitive damages.</li> <li>Damage to reputation, jeopardising future income.</li> </ul>	Medium	Low	Good	Low
Failure to identify and respond effectively (positively and creatively) to opportunities as they arise	<ul style="list-style-type: none"> <li>Structure includes Business Partnership Team, Heads of Sector, Sector Development Leads and Development Officers all with a focus on opportunities.</li> <li>Senior staff awareness of economic recovery within Tayside region, national / SFC / SG opportunities and priority given to maximising these.</li> <li>Procedure for identifying income generating opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>Failure to realise full commercial value of strengths.</li> <li>Fail to maximise all potential sources of income for College.</li> <li>Poor management could lead to financial or reputational loss.</li> <li>Expenditure may be incurred in ventures that represent poor value for money.</li> </ul>	Medium	Medium	Satisfactory	Medium

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<b>COMMERCIAL (CONT'D)</b>	<ul style="list-style-type: none"> <li>Staff awareness activities and training.</li> <li>High priority in Regional Outcome Agreement.</li> <li>Regular review of activities by Board of Management and relevant committees.</li> </ul>					
Failure to maintain financial control over other Income Generating activities	<ul style="list-style-type: none"> <li>Value of the activity or initiative considered by Business Partnership Team or member of Senior leadership Team before progressing.</li> <li>Appropriate / relevant costs charged/recharged.</li> <li>Management accounts produced monthly to Budget Holders.</li> <li>Budget monitoring meetings held with Finance.</li> <li>Financial procedures for raising invoices and debt management.</li> </ul>	<ul style="list-style-type: none"> <li>Research and other contracts may over-spend irrecoverably.</li> <li>Cash flow may be adversely affected through slow collection of income after expenditure has been incurred.</li> <li>All income of the College is not recorded and banked.</li> <li>Where profit was expected, income raising activities may not cover their costs.</li> <li>Balances are incorrectly carried forward resulting in either overspend or recognition of profits in the wrong period.</li> </ul>	Low	Low	Good	Low



Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<b>ORGANISATIONAL</b>						
Disasters – e.g. Fire, MIS failure, failure of emergency procedures (4.1)	<ul style="list-style-type: none"> <li>• Sound systems of management and administration.</li> <li>• Robust Business Continuity Planning in place.</li> <li>• Review and test Business Continuity Plan.</li> <li>• Insurance on buildings and equipment.</li> <li>• Emergency overdraft facilities in place in the event of a catastrophic loss requiring significant funds at short notice.</li> <li>• Staff CPD.</li> <li>• Clear fire and disaster recovery arrangements</li> </ul>	<ul style="list-style-type: none"> <li>• Major disaster. Unable to operate.</li> <li>• Disruption to teaching and / or support services.</li> </ul>	High	Low	Good	Low

Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<b>ORGANISATIONAL (CONT'D)</b>						
Corporate Governance failure	<ul style="list-style-type: none"> <li>• Standing Orders including: responsibilities of the Board of Management; committee structure and delegation scheme; code of conduct; committee remits; appointments process; and Public Interest Disclosure Policy and Procedures</li> <li>• Financial Regulations. College Fraud Policy.</li> <li>• Compliance with SFC Financial Memorandum and Scottish Public Finance Manual.</li> <li>• Compliance with the FE Code of Good Governance.</li> <li>• Strong recruitment and induction practices for Board of Management members and Senior Leadership Team</li> <li>• Self and externally facilitated evaluation.</li> <li>• Succession planning for Senior Leadership Team and Board of Management.</li> </ul>	<ul style="list-style-type: none"> <li>• Inadequate corporate governance, resulting in poor management and possible financial loss.</li> <li>• Press criticism arising from perceived corporate governance weakness or non-compliance</li> <li>• Fall in public perception of the College.</li> </ul>	Medium	Low	Good	Low





Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<b>ORGANISATIONAL (CONT'D)</b>  Failure of College Strategy to meet the needs of the D&A Region and/or National Priorities (e.g. Employability, DYW, Attainment, Articulation) (1.1)	<ul style="list-style-type: none"> <li>Comprehensive Regional Outcome Agreement (ROA) and activity planning process involving Senior Leadership Team Leadership Development Forum and Board of Management.</li> <li>Strategic risks are discussed with Board and SLT</li> <li>For each of the ROA outcomes a list of objectives and intended impacts have also been identified.</li> <li>Activity plans have been produced to support and inform the achievement of each ROA outcome.</li> <li>Monitoring of the ROA and activity plans by senior management and the Board.</li> <li>Effective environmental scanning.</li> <li>Strong partnerships.</li> <li>Clear links between strategy and practice</li> <li>Concerted demands for increased activity levels.</li> </ul>	<ul style="list-style-type: none"> <li>Fail to determine and communicate an appropriate and focused strategy.</li> <li>Unable to react positively and timeously to sector changes or influences.</li> <li>Fail to attract sufficiently high quality student intake.</li> <li>Fail to attract and retain high quality staff</li> <li>Fail to secure investment.</li> </ul>	High	Low	Good	Low



Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<b>ORGANISATIONAL (CONT'D)</b>  Failure to maintain effective Risk Management arrangements	<ul style="list-style-type: none"> <li>• Risk Management Policy</li> <li>• Financial Regulations outlining high-level procedures for Risk Management.</li> <li>• Development of high-level risk and control framework.</li> <li>• Strategic Risk Register.</li> <li>• Monitoring and review by the Audit &amp; Risk Committee, individual Board Committees and Board of Management.</li> <li>• Robust strategic planning and monitoring.</li> <li>• Effective environmental scanning. Strong partnerships.</li> <li>• Clear links between strategy and practice.</li> <li>• Concerted demands for increased activity levels.</li> </ul>	<ul style="list-style-type: none"> <li>• If risk has not been adequately assessed, unexpected and unplanned situations could develop, for which no adequate insurance or contingency plan is in place.</li> <li>• Damage to reputation.</li> <li>• Loss of income.</li> </ul>	Medium	Low	Good	Low
Failure to achieve/ maintain compliance arrangements, e.g. Contracts, Awarding Bodies, Audit (3.2)	<ul style="list-style-type: none"> <li>• Robust strategic planning and monitoring</li> <li>• Effective environmental scanning</li> <li>• Strong partnerships</li> <li>• Contract review and feedback arrangements</li> <li>• Effective quality review arrangements in place</li> <li>• Concerted demands for increased activity levels</li> </ul>	<ul style="list-style-type: none"> <li>• Damage to reputation.</li> <li>• Loss of income.</li> </ul>	Low	Low	Good	Low



Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<b>INFORMATION AND IT</b>						
Loss of data or IT Hardware	<ul style="list-style-type: none"> <li>Logical files backed-up to remote location.</li> <li>Business Continuity Plan includes IT recovery.</li> <li>Maintenance contracts in place with suppliers for all infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Major IT disaster – loss of information or use of central hardware.</li> <li>Disruption to teaching and / or support services.</li> </ul>	High	Low	Good	Low
ICT Infrastructure fails to support effective data security/data protection (4.4)	<ul style="list-style-type: none"> <li>Effective infrastructure and systems design and implementation</li> <li>Effective management of ICT arrangements and GDPR compliance</li> </ul>	<ul style="list-style-type: none"> <li>Potential fines</li> <li>Reputational damage</li> <li>Loss of sensitive data</li> </ul>	High	Low	Good	Medium



Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<b>INFORMATION AND IT (CONT'D)</b>						
Breach of ICT / Cyber Security (4.3)	<ul style="list-style-type: none"> <li>• Effective management of ICT arrangements.</li> <li>• Active ICT / data security monitoring and cyber security policy.</li> <li>• Firewalls.</li> <li>• Effective Security Information and Event Management (SIEM) solution in place and monitored</li> <li>• Virus checking software run and updated regularly.</li> <li>• Cyber Incident Response Plan in place - Mandatory Cyber Security training for all staff</li> <li>• Regular Tabletop Exercise to ensure incident response plan is effective</li> </ul>	<ul style="list-style-type: none"> <li>• Network security breached with consequent damage to mission-critical operations and theft of personally identifiable information.</li> <li>• Disruption to access to network.</li> </ul>	High	Low	Good	Medium
Breach of data security / data protection (3.8)	<ul style="list-style-type: none"> <li>• Effective management of ICT arrangements and GDPR compliance.</li> <li>• Mandatory staff CPD and awareness raising on data protection (relative to role)</li> <li>• Cryptographic controls in place</li> <li>• Multi-factor authentication in place across all services</li> <li>• Access Control procedures in place</li> </ul>	<ul style="list-style-type: none"> <li>• Non-compliance with GDPR and Freedom of Information (Scotland) Act.</li> <li>• Shadow information held at department level.</li> <li>• Potential litigation.</li> </ul>	High	Low	Satisfactory	Medium



Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<b>INFORMATION AND IT (CONT'D)</b>						
Non-Compliance with Freedom of Information Legislation	<ul style="list-style-type: none"> <li>• Mandatory staff CPD and awareness raising on data protection (relative to role).</li> <li>• Policies and procedures manuals.</li> <li>• Data Protection and FOI Officers appointed.</li> <li>• Publication Scheme.</li> </ul>	<ul style="list-style-type: none"> <li>• Damage to reputation.</li> </ul>	Low	Low	Satisfactory	Low
Non-Compliance with user licence requirements	<ul style="list-style-type: none"> <li>• Central register of software and licence agreements held by IT.</li> <li>• Annual review of licensing to ensure appropriate usage</li> </ul>	<ul style="list-style-type: none"> <li>• Non-compliance with user licence requirements, leading to possible financial penalties.</li> <li>• Removal of key digital service</li> </ul>	Low	Low	Satisfactory	Low



Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<b>INFORMATION AND IT (CONT'D)</b>						
Ineffective management of systems implementation	<ul style="list-style-type: none"> <li>• Proper procedures for development and implementation of new systems.</li> <li>• Consistent approach to Systems development Migration to out of box solutions</li> <li>• Migration to Software as a Service solutions</li> </ul>	<ul style="list-style-type: none"> <li>• Failure to properly address all steps in the systems development life cycle can have serious consequences on the effectiveness of the system performance and can be costly in financial and time allocation terms.</li> <li>• Failure to provide accurate and complete operational / student management information.</li> <li>• Loss of efficiency and effectiveness.</li> </ul>	High	Medium	Good	Medium
Inappropriate design of IT / poor systems development	<ul style="list-style-type: none"> <li>• Regular review of current and future requirements.</li> <li>• Consistent approach to Systems development</li> </ul>	<ul style="list-style-type: none"> <li>• Loss of efficiency and effectiveness.</li> </ul>	Low	Medium	Satisfactory	Low



Risk Category	Key Controls	Associated Risk	Risk Impact	Risk Likelihood	Present Controls	Priority
<b>INFORMATION AND IT (CONT'D)</b>  Failure to achieve ambitions of digital strategy; strategy and development is ineffective (4.2)	<ul style="list-style-type: none"> <li>• Planning, careful phasing of changes to processes and systems.</li> <li>• Effective management of ICT arrangements.</li> <li>• Clear investment plan.</li> <li>• Digital Strategy.</li> <li>• Digital Strategy Group.</li> </ul>	<ul style="list-style-type: none"> <li>• Ineffective development and utilisation of information, learning and communication technology.</li> <li>• Hinders the aim of increasing participation and promoting social inclusion.</li> <li>• Hinders improvement in the learning process.</li> </ul>	Medium	Medium	Good	Medium



## Strategic Plan

### Strategic Plan

The Strategic Plan covers the 2021/22 to 2023/24 financial years. Audit days have been allocated to the categories identified in the ANA to give a rolling programme of work. Where relevant, these have been further split into sub-categories. Frequency of visits, the number of days allocated, and the position in the cycle has been determined with reference to the combined risk factors identified in the ANA, and previous internal and external audit coverage.

To clarify the linkage between the ANA and Strategic Plan we have included at pages 45 to 52 a listing of all risk categories, grouped by 'Priority'. On these schedules we have indicated the timing of our audit work, if any, in the three-year period, the number of days allocated and the project title as it appears on the Strategic Plan at pages 53 and 54.

### Audit Methodology

Prior to commencement of the work each year the Strategic Plan will be reviewed in advance of the production of the Annual Plan. The Annual Plan will give more detail of the risks to be covered and the work to be carried out in each area. The process will include discussion with management, the College's external auditors and the Audit and Risk Committee as appropriate.

The mainstream audit work falls into three categories:

- Governance;
- Financial; and
- Performance.

In all cases the audit work involves:

- Identification of the expected controls.
- Review of systems to identify actual controls.
- Consideration of established Best Practice in the area.
- Testing of controls to ensure they are operating effectively.
- Consideration of VFM issues where appropriate on all audit assignments and conducting specific VFM reviews as agreed with College management and the Audit Committee.
- Consideration of the relevance of business improvement tools, including lean systems and methodologies, to individual audit assignments.
- Discussion of findings and our likely recommendations with the relevant managers and staff involved with the systems. Recommendations will be graded to help management prioritise their importance.
- Issue of a draft report to confirm factual accuracy and obtain official management responses for inclusion in the final report.
- Issue of a final report that summarises audit objectives, work carried out, the implications of the findings for internal control, and an action plan with areas for improvement. The action plan will allocate responsibility for the implementation and give a timeframe for completion.
- Follow-up of action plans in future years.



## Dundee and Angus College – linkage between Strategic Plan and Audit Needs Assessment

### *High Priority*

Risk Category	Coverage	Comment
<b>Reputation</b>		
Reputational Risk – Loss of Reputation with Key Stakeholders (3.5)	21/22	Will be reviewed as part of a review of College arrangements for Publicity and Communications.
<b>Estates and Facilities</b>		
Insufficient Funds for Capital Projects	22/23	Previously reviewed in 14/15. Capital Plan monitoring covered in 20/21 review of Budgetary Control.



**Medium Priority**

Risk Category	Coverage	Comment
<b>Reputation</b>		
Legal Actions; Serious Accident; Incident or Civil/Criminal Breach (3.1)	22/23	Health & Safety previously reviewed in 16/17.
Failure to Maintain the Requirements of Equal Opportunities Legislation Particularly in Relation to Multi-Site Operation and Other Operational Pressures		Equality and Diversity reviewed in 18/19
<b>Student Experience</b>		
Increased Competition from Other Providers		
Failure to Maintain Appropriate Quality Standards		Subject of review by awarding bodies and Education Scotland
Lack of Effective Student Support		
<b>Staffing</b>		
Failure to Comply with Employment Legislation		Covered in Staff Recruitment and Retention review in 19/20
Failure to manage Industrial Relations (3.7)	22/23	
National bargaining outcomes impact adversely on college operations, activity and flexibility (3.6)		
Failure to meet the aspirational standards in respect of the health, safety, wellbeing and development of staff and students (3.4)		Covered in Duty of Care review in 18/19, Health, Safety & Wellbeing review in 20/21
College arrangements do not minimise risk associated with modern slavery (3.10)		



**Medium Priority**

Risk Category	Coverage	Comment
<b>Estates and Facilities</b>		
Disruption to Operations Following Loss or Breakdown of Key Equipment		Business Continuity Planning previously reviewed in 14/15 and ICT business continuity arrangements were also considered as part of the 19/20 IT Network Arrangements / IT Strategy review and separately as part of the CISO review following the 2020 cyber attack. Asset / Fleet Management reviewed in 17/18.
Failure to Meet All Regulatory Requirements		
Projects Over Budget	22/23	Previously reviewed in 14/15. Will form part of Capital Projects review in 22/23.
<b>Financial</b>		
Failure to Achieve Institutional Sustainability (2.2)		Budgetary Control reviewed in 20/21
Failure to reach non-Grant In Aid income targets		Budgetary Control reviewed in 20/21
Student Fee Income is Not Raised or Recorded	21/22	Previously reviewed in 17/18.
Failure to maintain effective control over Debtors / Income		Previously reviewed in 13/14 as part of key financial controls review.
<b>Commercial</b>		
Failure to identify and respond effectively (Positively and Creatively) to Opportunities as they Arise	22/23	Previously reviewed in 16/17. Covered as part of review of Economic Recovery in 20/21. Will be reviewed under the heading of Partnership Working in 22/23.
<b>Organisational</b>		
Environmental Sustainability	23/24	Environmental sustainability will also be a focus for the review on Procurement in 23/24.
<b>Information and IT</b>		
Breach of ICT / Cyber Security (3.7)	21/22	Previously reviewed in 18/19. Also subject to review by HEFESTIS



**Medium Priority**

Risk Category	Coverage	Comment
ICT Infrastructure fails to support effective data security/data protection (4.4)	21/22	GDPR preparedness reviewed in 17/18.
Breach of Data Security / Data Protection (3.8)	21/22	GDPR preparedness reviewed in 17/18.
Ineffective Management of Systems Implementation		Previously reviewed in 14/15.



**Low Priority**

Risk Category	Coverage	Comment
<b>Reputation</b>		
Reputational risk – difficulties or over commitment arising within large scale/national college led initiatives or projects impact negatively (1.4)		Reviewed in 20/21 as part of Economic Recovery review
<b>Student Experience</b>		
Failure to Develop and Evolve Learning and Teaching and the Curriculum		Reviewed in 19/20
Failure to Reach Aspirational Standards in Learning, Teaching and Service Delivery (3.9)	23/24	Reviewed in 19/20. Will be covered as part of Ways of working review in 23/24.
Failure to Meet Prevent and Related Obligations (3.4)		Reviewed in 18/19
Management of Disciplinary / Appeals Procedures		
<b>Staffing</b>		
Contentious Staffing Policies		
Difficulty in Recruiting and Retaining Appropriate Staff		Considered as part of review of Workforce Planning in 17/18 and Staff Recruitment and Retention review in 19/20.
Failure to Develop Staff		As above.
Failure to maintain Controls Over Payroll		Previously reviewed in 15/16, 16/17 & 19/20. Post-implementation review of new integrated HR/Payroll system and detailed compliance testing of Payroll.
<b>Estates</b>		
Erosion of Campus Infrastructure, Backlog Maintenance Requirements and Maintenance of Essential Student Services		



**Low Priority**

Risk Category	Coverage	Comment
<b>Estates (Continued)</b>		
Failure to maintain effective Physical Security		
Demands of capital developments/maintenance impacts on financial sustainability or delivery of learning and/or services (2.6)		
Failure to maintain effective Fleet / Asset Management		Previously reviewed in 17/18.
Failure to maintain effective Selection and Management of Third Party Contractors		Previously reviewed in 14/15.
Failure to effectively manage Projects Over Time		Previously reviewed in 14/15. Will form part of Capital Projects review in 22/23.
Failure to maintain effective Capital Authorisation / Control Procedures		Previously reviewed in 14/15.
Ineffective use of Space Within Estate and Lack of Suitable Accommodation for Development of Academic and Support Activities.		Previously reviewed in 15/16.
<b>Financial</b>		
College may be disadvantaged by changes to either UK or Scottish Government policies (1.2)		
College Disadvantaged by Changes Arising from UK Leaving European Union (1.3)		
Change in SFC Funding Methodology and Allocation – Reduction in Funding (2.1)		
Failure to achieve SFC contract – loss of fees – Grant In Aid		
Salary and conditions of service pressures outstrip ability to pay (2.3)		
Management of day to day staff resource		
Ineffective budgetary control of the College's financial resources		Reviewed in 20/21



**Low Priority**

Risk Category	Coverage	Comment
<b>Financial (Continued)</b>		
Financial Fraud (2.4)		Considered where appropriate on all audits.
D&A Foundation Refuses / Withholds Funding for Key College Priorities (2.5)		Process for bidding for financial support to the Foundation covered in 14/15 as part of capital projects review.
Failure to maintain effective control over General Ledger		Previously reviewed in 13/14 as part of key financial controls review.
Failure to maintain effective control over Procurement and Creditors / Purchasing	23/24	Previously reviewed in 16/17 & 20/21.
Failure to maintain effective control over Cash and Bank		Previously reviewed in 17/18.
Failure to maintain effective control over Treasury Management		Previously reviewed in 14/15
<b>Commercial</b>		
Prevention and Response to External Claims Against the College for Breach of Contract		Previously reviewed in 16/17.
Failure to maintain Financial Control Over Other Income Generating Activities	23/24	Will be reviewed under the heading of External Activities in 2023/24.
<b>Organisational</b>		
Disasters – e.g. Fire, MIS Failure, Failure of Emergency Procedures (3.3)		Previously reviewed in 14/15.
Corporate Governance Failure		Previously reviewed in 14/15.
Failure of College Strategy to Meet the Needs of the D&A Region and/or National Priorities (e.g. Employability, DYW, Attainment, Articulation) (1.1)		Previously reviewed in 13/14 and 19/20.
Failure to maintain effective Risk Management arrangements		Previously reviewed in 18/19
Failure to Achieve / Maintain Compliance Arrangements, e.g. Contracts, Awarding Bodies, Audit (3.2)		



**Low Priority**

Risk Category	Coverage	Comment
<b>Information and IT</b>		
Loss of Data or IT Hardware		Previously reviewed in 16/17.
Non-Compliance with Freedom of Information Legislation		
Non-Compliance with User Licence Requirements		Previously reviewed in 16/17.
Ineffective management of systems implementation		
Inappropriate Design of IT / Poor Systems Development		Previously reviewed in 14/15 and 19/20
Failure to Achieve Ambitions of ICT Strategy; Strategy and Development is Ineffective (3.6)		Previously reviewed in 16/17. Linkages to Future ways of working will be reviewed in 23/24.





## Strategic Plan 2021 to 2024

### Proposed Allocation of Audit Days

			Planned	Planned	Planned
	Category	Priority	21/22	22/23	23/24
			Days	Days	Days
<b>Reputation</b>					
<i>Publicity and Communications</i>	Gov	H	4		
<i>Health and Safety / Wellbeing</i>	Gov	M		4	
<b>Student Experience</b>					
<i>Curriculum</i>	Perf	L			
<i>Quality</i>	Perf	M			
<i>Student support</i>	Perf	M			
<i>Student recruitment and retention</i>	Fin/Perf	L			
<i>Student welfare – Duty of Care</i>	Perf	L			
<i>Students Association</i>	Gov	L			
<b>Staffing</b>					
<i>Staff recruitment and retention</i>	Perf	L			
<i>Staff development</i>	Perf	L			
<i>Payroll</i>	Fin	L			
<i>Teaching staff utilisation</i>	Perf / Fin	M		5	
<b>Estates and Facilities</b>					
<i>Building maintenance</i>	Fin/Perf	L			
<i>Estates strategy / capital projects</i>	Fin/Perf	H		5	
<i>Space management / room utilisation</i>	Perf	L			
<i>Asset / fleet management</i>	Perf	L			
<b>Financial</b>					
<i>Budgetary control</i>	Fin	L			
<i>Student invoicing and debt management</i>	Fin	M	5		
<i>General ledger</i>	Fin	L			
<i>Procurement and creditors / purchasing – Sustainable procurement</i>	Fin	L			5
<i>Debtors/ Income</i>	Fin	M			
<i>Cash &amp; Bank / Treasury management</i>	Fin	L			
<i>Fraud Prevention, Detection and Response</i>	Fin	L			
<i>Financial sustainability</i>	Fin	M			

## ANA and Strategic Plan 2021 to 2024 - DRAFT

	Category	Priority	Planned 21/22 Days	Planned 22/23 Days	Planned 23/24 Days
<b>Commercial</b>					
<i>Business Development</i>	Fin/Perf	L			
<i>External Activities</i>	Gov/Fin/Perf	M			4
<b>Organisational</b>					
<i>Risk Management</i>	Perf	L			
<i>Business Continuity</i>	Perf	L			
<i>Corporate Governance</i>	Gov	L			
<i>Corporate Planning</i>	Perf	L			
<i>Performance reporting / KPIs</i>	Perf	L			
<i>Partnership Working (incl. Regional Engagement) – Tay Cities Deal</i>	Gov/Perf	L		5	
<i>Equalities</i>	Gov	L			
<i>Environmental Sustainability</i>	Gov/Perf	M			5
<i>Future ways of working*</i>	Perf	L			5
<b>Information and IT</b>					
<i>Cyber security</i>	Perf	M	5		
<i>Data protection</i>	Gov	M	5		
<i>FOI</i>	Gov	L			
<i>Digital Strategy implementation*</i>	Perf	M			
<i>Licencing</i>	Perf	L			
<b>Other Audit Activities</b>					
Credits Audit	Required	N/A	8	8	8
Bursary, Childcare and Hardship Funds Audit	Required	N/A	6	6	6
EMA Audit	Required	N/A	2	2	2
Management and Planning )			3	3	3
External audit / SFC )					
Attendance at Audit Committee )					
Follow-up reviews		N/A	2	2	2
Audit Needs Assessment			2		
<b>Total</b>			42	40	40
			=====	=====	=====

### Key

**Category:** Gov – Governance; Perf – Performance; Fin – Financial

BPR = Business process review

\*The review of ways of working will also explore linkages to the digital strategy.

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**JOINT AUDIT & RISK,  
FINANCE & PROPERTY COMMITTEE**

**Tuesday 7 December 2021**

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**Internal Audit**

**2021 / 2022 Internal Audit Annual Plan**

**PAPER H**

# Dundee and Angus College

## Internal Audit Annual Plan 2021/22

Internal Audit Report No: 2022/02

Draft issued: 29 November 2021

Final issued:



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## Section 1 - Introduction

- 1.1 The purpose of this document is to present for consideration by management and the Audit and Risk Committee the annual operating plan for the year ended 31 July 2022. The plan is based on the proposed allocation of audit days for 2021/22 as set out in the Internal Audit Strategic Plan 2021 to 2024. The preparation of the draft Strategic Plan involved dialogue with the College Senior Leadership Team and review of previous internal and external audit reports. The Audit and Risk Committee will discuss the first iteration of the proposed three year Strategic Plan at its meeting in December 2021.
- 1.2 A copy of the Internal Audit Strategic Plan is included at Section 2 of this report.
- 1.3 At Section 3 of this report we have set out the outline scope and objectives for each audit assignment to be undertaken during 2021/22, together with the proposed audit approach. It was agreed with the College Senior Leadership Team that two reviews would be planned for commencement before the festive break and draft scopes were agreed with the relevant executive leads in advance of fieldwork commencing at the end of November/start of December 2021. The outline scopes for the remaining reviews in the 2021/22 programme will be refined and finalised after discussion with responsible managers in each audit area prior to each audit.
- 1.4 Separate reports will be issued for each assignment with recommendations graded to reflect the significance of the issues raised. In addition, audit findings will be assessed and graded on an overall basis to denote the level of assurance for the area reviewed and therefore the priority that should be given to each report.

## Section 2 - Strategic Plan 2021 to 2024

			Planned	Planned	Planned
	Category	Priority	21/22	22/23	23/24
			Days	Days	Days
<b>Reputation</b>					
<i>Publicity and Communications</i>	Gov	H	4		
<i>Health and Safety / Wellbeing</i>	Gov	M		4	
<b>Student Experience</b>					
<i>Curriculum</i>	Perf	L			
<i>Quality</i>	Perf	M			
<i>Student support</i>	Perf	M			
<i>Student recruitment and retention</i>	Fin/Perf	L			
<i>Student welfare – Duty of Care</i>	Perf	L			
<i>Students Association</i>	Gov	L			
<b>Staffing</b>					
<i>Staff recruitment and retention</i>	Perf	L			
<i>Staff development</i>	Perf	L			
<i>Payroll</i>	Fin	L			
<i>Teaching staff utilisation</i>	Perf / Fin	M		5	
<b>Estates and Facilities</b>					
<i>Building maintenance</i>	Fin/Perf	L			
<i>Estates strategy / capital projects</i>	Fin/Perf	H		5	
<i>Space management / room utilisation</i>	Perf	L			
<i>Asset / fleet management</i>	Perf	L			
<b>Financial</b>					
<i>Budgetary control</i>	Fin	L			
<i>Student invoicing and debt management</i>	Fin	M	5		
<i>General ledger</i>	Fin	L			
<i>Procurement and creditors / purchasing – Sustainable procurement</i>	Fin	L			5
<i>Debtors/ Income</i>	Fin	M			
<i>Cash &amp; Bank / Treasury management</i>	Fin	L			
<i>Fraud Prevention, Detection and Response</i>	Fin	L			
<i>Financial sustainability</i>	Fin	M			



# Strategic Plan 2021 to 2024

## Proposed Allocation of Audit Days

	Category	Priority	Planned 21/22 Days	Planned 22/23 Days	Planned 23/24 Days
<b>Commercial</b>					
<i>Business Development</i>	Fin/Perf	L			
<i>External Activities</i>	Gov/Fin/Perf	M			4
<b>Organisational</b>					
<i>Risk Management</i>	Perf	L			
<i>Business Continuity</i>	Perf	L			
<i>Corporate Governance</i>	Gov	L			
<i>Corporate Planning</i>	Perf	L			
<i>Performance reporting / KPIs</i>	Perf	L			
<i>Partnership Working (incl. Regional Engagement) – Tay Cities Deal</i>	Gov/Perf	L		5	
<i>Equalities</i>	Gov	L			
<i>Environmental Sustainability</i>	Gov/Perf	M			5
<i>Future ways of working*</i>	Perf	L			5
<b>Information and IT</b>					
<i>Cyber security</i>	Perf	M	5		
<i>Data protection</i>	Gov	M	5		
<i>FOI</i>	Gov	L			
<i>Digital Strategy implementation*</i>	Perf	M			
<i>Licencing</i>	Perf	L			
<b>Other Audit Activities</b>					
Credits Audit	Required	N/A	8	8	8
Bursary, Childcare and Hardship Funds Audit	Required	N/A	6	6	6
EMA Audit	Required	N/A	2	2	2
Management and Planning )			3	3	3
External audit / SFC )					
Attendance at Audit Committee )					
Follow-up reviews		N/A	2	2	2
Audit Needs Assessment			2		
<b>Total</b>			42	40	40
			=====	=====	=====

### Key

**Category:** Gov – Governance; Perf – Performance; Fin – Financial

\*The review of ways of working will also explore linkages to the digital strategy

## Outline Scope and Objectives

<b>Audit Assignment:</b>	Publicity and External Communication
<b>Priority:</b>	High
<b>Fieldwork Timing</b>	TBC
<b>Audit &amp; Risk Committee Meeting:</b>	TBC
<b>Days:</b>	4

### Scope of the Audit

This audit will focus on the systems in place within the College for the management of positive and negative publicity externally.

### Objectives of the Audit

The objectives of the audit will be to ensure that:

- policies, procedures and systems in place assist the College to maximise the benefits from positive publicity and effectively manage negative publicity, reducing the potential risk of damage to the College's reputation; and
- appropriate strategies, procedures and systems are in place to assist and encourage communication and joint working between teams to enhance external communications and reputation.

### Our audit approach will be:

The senior managers who oversee marketing and communications activity within the College, and a sample of other College managers and staff, will be interviewed to determine current working practices.

The College's external communication strategies, policies and procedures will be reviewed, and their content benchmarked against good practice, identifying any areas requiring improvement.

<b>Audit Assignment:</b>	Student invoicing and debt management
<b>Priority:</b>	Medium
<b>Fieldwork Timing</b>	December 2021
<b>Audit &amp; Risk Committee Meeting:</b>	March 2022
<b>Days:</b>	5

### Scope of the Audit

The main objective of this review will be to ensure that the policies and procedures in place within Administration, Data Management (DM) and the Finance departments for recording, processing, invoicing and receiving of student fees assist the College to effectively manage the student fee income process and are in line with good practice. In addition, the efficiency of debt management and recovery procedures will be considered.

### Objectives of the Audit

The objectives of this review will be to ensure that:

- enrolment procedures are sufficient to ensure accuracy of student records information, including adequate checking of student data by Administration and DM;
- there is accurate and timely transfer of data between the student records system and the finance system, and regular reconciliation between the systems;
- all fees are fully and correctly invoiced and processed for self-financing students. Both sponsors and fee-waiver students are appropriately identified;
- students are aware of their obligations and payment options are appropriate and accessible; and
- adequate debt management procedures are in place and are consistently followed in practice.

### Our audit approach will be:

We will assess whether the above objectives have been met through discussions with managers in Administration, Data Management and Finance, and review of relevant documentation.

<b>Audit Assignment:</b>	Cyber Security
<b>Priority:</b>	Medium
<b>Fieldwork Timing</b>	December 2021
<b>Audit &amp; Risk Committee Meeting:</b>	March 2022
<b>Days:</b>	5

### Scope of the Audit

The controls and mitigations in place within Cyber Security are constantly evolving. As threat actors create continually sophisticated attack vectors with the goal of compromising organisational data and systems, businesses are required to ensure they mitigate against these threats.

No sector in the UK has suffered more from cyber-attacks in recent times than the education sector, where a combination of large volumes of valuable data, huge numbers of accounts and traditionally open services create an environment that has the potential to be compromised. The College needs to ensure that it is doing everything within its powers to mitigate against these cyber risks and so the scope of this audit will cover the controls in place to ensure the digital data and systems continue to be secure.

### Objectives of the Audit

The objectives of this review will be to:

- establish that the security standards and plans in place are appropriate;
- ensure the security standards and plans in place are being followed;
- gain assurance that the College has established cyber security standards and plans which:
  - are appropriate;
  - are being followed in practice; and
  - assist management to monitor and enforce security policies and best practice.

### Our audit approach will be:

From discussion with the Head of ICT and members of the College's ICT Team, and review of documentation, we will identify the systems and internal controls in place and compare these with expected controls. A walkthrough of key systems will then be undertaken to confirm our understanding and this will be followed-up with compliance testing where considered necessary. We will report on any areas where expected controls are found to be absent or where controls could be further strengthened.

<b>Audit Assignment:</b>	Data Protection
<b>Priority:</b>	Medium
<b>Fieldwork Timing</b>	TBC
<b>Audit &amp; Risk Committee Meeting:</b>	TBC
<b>Days:</b>	5

### Scope of the Audit

The EU General Data Protection Regulation (GDPR), which came into force on 25 May 2018 and was enshrined in law as part of the Data Protection Act 2018 (DPA 2018), included an expanded definition of what personal data was, a greater number of specific responsibilities, and implemented significant fines for non-compliance. The EU GDPR no longer applies in the UK after the end of the Brexit transition period on 31 December 2020. With effect from 1 January 2021, the DPPEC (Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit)) Regulations 2019 amended the EU GDPR to form a new, UK specific data protection regime that works in a UK context after Brexit to sit alongside the DPA 2018. This new regime is known as 'the UK GDPR'.

We will carry out a review of the College's implementation of the Data Protection Act 2018, including the UK GDPR, to ensure that processes and procedures are in place to allow compliance with this.

### Objectives of the Audit

To obtain reasonable assurance that:

- appropriate action has been taken by the College to comply with the Data Protection Act 2018, including the UK GDPR; and
- adequate procedures are in place for the ongoing monitoring of compliance with data protection legislation.

### Our audit approach will be:

Through discussion with the Data Protection Officer, Head of ICT Services, relevant managers and staff we will establish the action taken to date by the College, and any further action planned, to implement the Data Protection Act 2018, including the requirements of the UK GDPR. The Information Commissioner's Office guidance will be used as the basis for this discussion, and any additional action required will be highlighted.

<b>Audit Assignment:</b>	Credits Audit
<b>Priority:</b>	Required annual audit
<b>Fieldwork Timing</b>	August / September 2022
<b>Audit &amp; Risk Committee Meeting:</b>	November 2022
<b>Days:</b>	8

### **Scope**

Credits Audit Guidance, issued by SFC, requests that colleges obtain from their auditors assurances as to the reasonableness of procedures used in the compilation of the Credits related element of the student activity data for the academic year (FES return).

### **Objectives**

To obtain reasonable assurance that:

- the student data returns have been compiled in accordance with all relevant guidance;
- adequate procedures are in place to ensure the accurate collection and recording of the data; and
- the FES return on student activity data contains no material misstatements.

### ***Our audit approach will be:***

Through discussion with College staff, and review of relevant documents, we will record the systems and procedures used by the College in compiling the returns to SFC and assess and test their adequacy. We will carry out further detailed testing, as necessary, to enable us to conclude whether the systems and procedures are working satisfactorily as described to us.

Detailed analytical review will be carried out obtaining explanations for significant variations from previous year's activity.

Our testing will be designed to cover the major requirements for recording and reporting fundable activity identified at Annex C to the SFC Credits Audit Guidance and the key areas of risk identified in Annex D of the guidance.

We will also review the final error report from the FES on-line checks.

<b>Audit Assignment:</b>	Bursary, Childcare and Hardship Funds Audit
<b>Priority:</b>	Required audit
<b>Fieldwork Timing</b>	August / September 2022
<b>Audit &amp; Risk Committee Meeting:</b>	November 2022
<b>Days:</b>	6

### Scope of the Audit

We will carry out an audit on the College's student support funds for the year ended 31 July 2021 and provide an audit certificate.

### Objectives of the Audit

The audit objectives will be to obtain reasonable assurance that:

- the College complies with the terms, conditions and guidance notes issued by the SFC and SAAS;
- payments to students are genuine claims for hardship, childcare or bursary, and have been processed and awarded in accordance with College procedures; and
- the information disclosed in each of the returns for the year ended 31 July 2021 is in agreement with underlying records.

### Our audit approach will be:

- Reviewing new guidance from the SFC and SAAS and identifying internal procedures through discussion with College staff, and review of relevant documents;
- Agreeing income to letters of award;
- Reconciling expenditure through the financial ledger to returns, investigating reconciling items;
- Reviewing for large or unusual items, obtaining explanations where necessary; and
- Carrying out detailed audit testing, on a sample basis, on expenditure from the funds.

Audit guidance issued by SFC will be utilised. This includes 'Areas of risk and audit considerations' for bursaries and for the discretionary funds and childcare.

<b>Audit Assignment:</b>	EMA Audit
<b>Priority:</b>	Required audit
<b>Fieldwork Timing</b>	August / September 2022
<b>Audit &amp; Risk Committee Meeting:</b>	November 2022
<b>Days:</b>	2

### ***Scope of the Audit***

Guidance on the audit requirements for Education Maintenance Allowances (EMAs), issued by SFC, includes the requirement to have a separate audit of EMAs on an academic year (August to July) basis.

### ***Objectives of the audit***

To obtain reasonable assurance that:

- the information set out in the EMA returns is in agreement with the underlying records;
- the College used the funds in accordance with SFC's conditions and the principles of the EMA programme; and
- the systems and controls for the administration and disbursement of the funds are adequate.

### ***Our audit approach will be:***

Through discussion with Finance staff, and review of relevant documents, we will record the systems and procedures used by the College in compiling the EMA returns and assess and test their adequacy. We will carry out further detailed testing, as necessary, to enable us to conclude that the systems and procedures are working satisfactorily as described to us.

### ***Scope***

We will carry out an audit on the College's student support funds for the year ended 31 July 2022 and provide an audit certificate. Three specific fund statements will require to be audited:

- Further Education Discretionary Fund, Further and Higher Education Childcare Fund and Bursary Return;
- Higher Education Discretionary Fund; and
- Education Maintenance Allowance (EMA) Return.



### **Objectives**

The audit objectives will be to obtain reasonable assurance that:

- the College complies with the terms, conditions and guidance notes issued by the SFC, SAAS and the Scottish Government;
- payments to students are genuine claims for hardship, childcare, bursary or EMA, and have been processed and awarded in accordance with College procedures; and
- the information disclosed in each of the returns for the year ended 31 July 2022 is in agreement with underlying records.

### ***Our audit approach will be:***

- Reviewing the year's guidance from the SFC, SAAS and the Scottish Government and identifying internal procedures through discussion with College staff, and review of relevant documents;
- Agreeing income to letters of award;
- Reconciling expenditure through the financial ledger to returns, investigating reconciling items;
- Reviewing for large or unusual items, obtaining explanations where necessary; and
- Carrying out detailed audit testing, on a sample basis, on expenditure from the funds.

<b>Audit Assignment:</b>	Follow-Up Reviews
<b>Priority:</b>	Various
<b>Fieldwork Timing</b>	TBC
<b>Audit &amp; Risk Committee Meeting:</b>	TBC
<b>Days:</b>	2

### **Scope**

This review will cover reports from the 2020/21 internal audit programme and reports from earlier years where previous follow-up identified recommendations outstanding.

### **Objectives**

To establish the status of implementation of recommendations made in previous internal audit reports.

### ***Our audit approach will be:***

- for the recommendations made in previous reports ascertain by enquiry or sample testing, as appropriate, whether they have been completed or what stage they have reached in terms of completion and whether the due date needs to be revised; and
- prepare a summary of the current status of the recommendations for the Audit & Risk Committee.

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**JOINT AUDIT & RISK,  
FINANCE & PROPERTY COMMITTEE**

**Tuesday 7 December 2021**

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**HEFESTIS –  
Annual Information & Cyber Security Risk  
& Maturity Report 2021**

**PAPER I**



# Dundee and Angus College: Annual Information and Cyber Security Risk and Maturity Report 2021

OCTOBER 2021

DAVID ROBERTSON

HEFESTIS | HIGHER EDUCATION/FURTHER EDUCATION SHARED TECHNOLOGY AND INFORMATION  
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## Information and Cyber Security (ICS) Risk and Maturity Report

The following report is generated from review of the Dundee and Angus College information and cyber security maturity and RAID log including ongoing information and cyber security management activity over a period of 1 year. The reporting period is October 2020 to October 2021.

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## EXECUTIVE SUMMARY

Over the reporting period October 2020 to October 2021 the cyber security activities performed at Dundee and Angus College have maintained a high level of **information and cyber security (ICS)** risk management. However, the threat level to the sector is still high to very high. This report summarises the ongoing cyber security risk and maturity position and is calculated against Dundee and Angus College risk appetite, the public sector action plan and industry maturity standards.

Of exceptional note is the improvement and maturity recorded at strategic level in relation to business continuity planning, communication and management which currently scores at the highest possible level of advanced maturity (5) with significant improvement over the reporting period.

### Key Performance Indicators

#### Risk Mitigation: Progress Towards Minimising Cyber Security Risk

Over the reporting period the level of change to presenting risk reports **100%** mitigation of critical risks (KPI #1) **100%** compliance with risk appetite minimum (KPI#2) and further **progression of 60%** towards optimal risk appetite levels (KPI#3) – **significant and substantial overall improvement**. See **risk summary** and **RAID Log** (appendix 1) for details.

#### Security Maturity Improvement Is Significant

Areas of excellence were demonstrated at strategic, tactical and operational level in relation to business continuity arrangements and incident management event of a cyber-attack. Areas of strong to excellent improvement include introduction and control of cryptography, improved control of back up procedures and introduction of cyber security risk management procedures.

Progress in governance, incident management and network security have also contributed to reduced risk and a hardening of the security posture - **significant improvement**. See Maturity Assessment (appendix 2).

#### Progress Towards Minimum National Standards Is In The Advanced Range

A Public Sector Action Plan Assessment using the current version of the Cyber Resilience Framework self-assessment tool has been completed.

The assessment scoring indicates that information and cyber security levels at Dundee are currently substantively within the “**advanced**” range which indicates activity towards the highest level of ICS security management as defined by the National Cyber Security Centre (NCSC). See Public Sector Action Plan Assessment (appendix 3).



### Recommendations

It is important to note that the threat of significant cyber security incident to the HE/FE sector continues to rise and significantly evolve year on year. Effective ICS mitigation and protection is best approached as a continuous improvement programme of managed activity providing countermeasures against improved or invigorated cyber-criminal activity. The following recommendations are included to provide ongoing systematic management of ICS threats and activities.

- Continuance of existing best practice in all areas in order to maintain the security posture and continuously address ICS risk throughout the organisation and for all stakeholders
- Direct focus on completion of activities to embed best practice in ICS across the organisation in order to replicate the success and clarity of improvements in information and cyber security namely
  - completion of technical standards documentation
  - introduction of cloud risk questionnaires to improve procurement and change management security
  - closer alignment with GDPR and information governance controls
- Focus be applied in future reporting cycles to maintain continuous improvement and embed improved security practice, procedures and systems as business as usual
  - completion of information security policy and documentation to the point of sign off and ongoing review
  - bedding in of new technologies





## ICS Risk Summary

The most recent annual risk profile is illustrated within this section.

The Risk Summary and Improvement Table below displays each of the information and cyber security risks over the reporting period.

- All identified ICS risks which relate to this institution are listed, with their ID's, in columns 1 and 2.
- Column 3: Inherent Risk Score – the inherited scores from the previous year are used as a baseline for measuring improvement in subsequent years – this baseline is renewed on an annual basis to give a rolling risk profile based on information and cyber security actions, activities and mitigations performed over the current 12-month period.
- Column 4: Residual (current) Risk Score – indicates the most recent risk scores calculated within the reporting period – the current risk scores on the ICS RAID log.
- Column 5: Improvement – indicates by how much risk scores have improved over the reporting period

## Risk Summary and Improvement Table

Annual Risk Summary and Improvement Scoring				
Ref	Risk Title	Inherent Risk Score	Residual (Current) Risk Score	Improvement
IS_00	Cyber security threats	25	16	9
IS_07	Human resources security	20	12	8
IS_13	Communications Security (Information Transfer)	16	12	4
IS_08	Asset Management	15	12	3
IS_09	Access Control	15	12	3
IS_05	Information security policy management	15	12	3
IS_18	Compliance	12	12	0
IS_16	Incident Response	25	9	16
IS_17	Information security aspects of business continuity management	15	9	6
IS_06	Organisation of information security	9	9	0
IS_12	Operations security	25	8	17
IS_11	Physical and environmental security	8	8	0
IS_04	Cyber/InfoSec Risk management	25	6	19
IS_03	Structure of information security standards	6	6	0
IS_10	Introduction of cryptographic controls (technical/policy controls)	25	4	21
IS_01	Security Strategy	8	1	7
IS_02	Terms and Definitions	6	1	5

The risk summary table clearly shows that there has been a **significant improvement** in the ICS Risk profile at Dundee and Angus college over the period of 2020 to October 2021.

The current risk scoring (column 4) indicates that all critical risks recorded in 2020 (column 3) have been mitigated to minimal significant levels or lower. \*Row 1 on the table “Cyber Security Threats” reflects the external cyber threat level from all cyber-criminal activity – excluded from KPI's as an environmental risk factor.

Maintenance or strong improvement of risk scoring was recorded in **all** risk categories \*Physical and compliance sections to be evaluated.

## Risk Posture and KPI's

The three risk posture diagrams illustrate change in risk levels over the reporting period. Baseline scores from the beginning of the reporting period are on the left, current scores in the middle and, on the right, combined scores showing where change in risk level has been recorded. The report illustrates progress towards the “green area” in the centre of each chart which indicates the optimal “target level” for ICS risk as defined by the organisation.

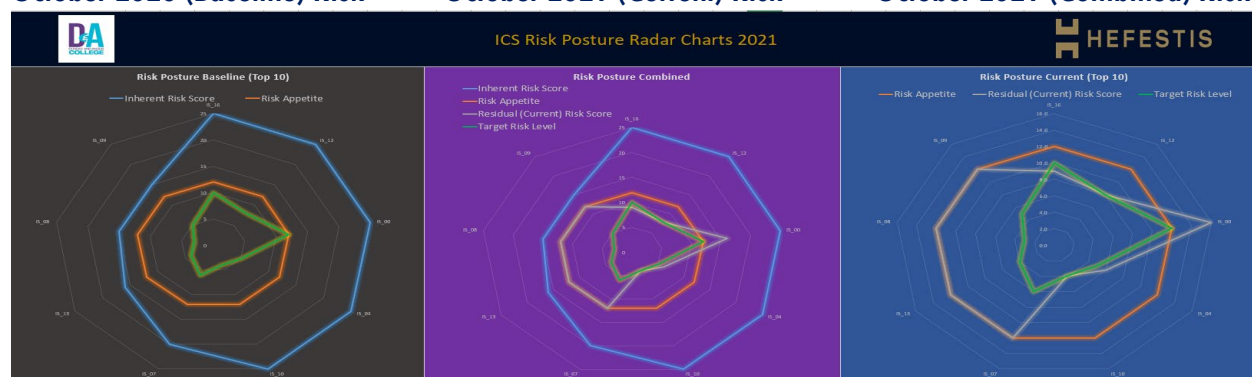
- the **blue** line (baseline) in the “baseline” and “combined” risk posture diagrams illustrates the levels of risk recorded at the assessment starting period used as a baseline for mapping progress against inherited levels of ICS risk – reflecting the risk report initial or starting posture.
- the **orange** line (maximum appetite) shows the maximum risk appetite as a minimum standard of acceptable ICS risk - better than half out of maximum scoring of 25 = 12 (defined by the organisation - adjustable) \*excludes external threat level
- the **green** line (target appetite) displays the preferred target levels of risk as an aspirational level of risk to the organisation for each risk category \*optimum acceptable levels of risk
- the **grey** line (current risk level) represents the current ICS risk level as recorded at the end of the reporting period.

Risk improvement is displayed as the gap between the **blue** line (baseline) and the **grey** line (current) risk posture scorings and is used to generate ICS risk key performance indicators.

### October 2020 (Baseline) Risk

### October 2021 (Current) Risk

### October 2021 (Combined) Risk



Where D & A College were

Where D & A College are

Measured Improvement

## Key Performance Indicator 1: Reduction In Number Of Critical Risks = 100%

Over the reporting period the cyber security mitigations and actions applied by this institution have reduced critical risk instance by 100% from 7 to 0. There are currently no critical level ICS risks recorded against industry appetite levels. **Significant improvement and best practice.**

## Key Performance Indicator 2: Reduction Of Risk Towards Minimum Compliance Levels = 100%

Markedly the figures represent 100% achievement and maintenance of a minimum compliance position within the initial risk tolerance threshold. \*Minimum threshold = 12 or below commensurate with baseline to target levels of security compliance against Public Sector Action Plan criteria for all recorded ICS risks over the 12-month reporting period. **Significant improvement and best practice.**



## Key Performance Indicator 3: Reduction Of Risk Towards Target (Advanced/Optimal) Levels = 60%

Over the reporting period the recorded level of reduction to presenting ICS risk represents a further 60% progress towards the advanced target levels of risk appetite. **Significant improvement.**

Risk management reporting therefore indicates **significant improvement** of the ICS risk position over 2020.

## ICS Maturity and Posture Summary

The cybersecurity posture for the institution refers to its overall cybersecurity resilience, articulated in terms of continuous improvement. The ICS security maturity posture expresses the relative levels of mitigation, countermeasures, procedures and application security to the IT and wider security estate, particularly relative to the internet and vulnerability to cyber-threat. Baselining and ongoing measurement of security maturity is performed to articulate and put in place measures with KPI's to illustrate and monitor information and cyber security resilience within and across the organisation.

Security Maturity Summary: By Section (Average Score)					
Control Description	Control: Maturity Score Baseline	Current Maturity Score	Target Maturity Score	Maturity Gap	Improvement
A.17 Information security aspects of business continuity management	1.8	5.0	4.0	-1.0	3.3
A.16 Information security incident management	2.0	4.1	4.0	-0.1	2.1
A.13 Communications security	2.1	3.4	4.0	0.6	1.3
A.7 Human resources security	3.3	4.0	4.0	0.0	0.7
A.18 Compliance	2.9	3.5	4.0	0.5	0.6
A.6 Organisation of information security	2.1	2.7	4.0	1.3	0.6
A.14 System acquisition, development and maintenance	2.5	3.0	4.0	1.0	0.5
A.1 Security Strategy	3.0	3.5	4.0	0.5	0.5
A.9 Access control	2.9	3.4	4.0	0.6	0.5
A.11 Physical and environmental security	2.3	2.6	4.0	1.4	0.3
A.8 Asset management	3.1	3.3	4.0	0.7	0.2
A.12 Operations security	3.7	3.9	4.0	0.1	0.1
A.2 Terms and Definitions	2.0	2.0	4.0	2.0	0.0
A.3 Structure of information security standards	3.0	3.0	4.0	1.0	0.0
A.4 Risk Management	4.0	4.0	4.0	0.0	0.0
A.5 Information security policy management	3.0	3.0	4.0	1.0	0.0
A.10 Cryptography	4.0	4.0	4.0	0.0	0.0
A.15 Supplier relationships	2.2	2.2	4.0	1.8	0.0
Average score/improvement	2.8	3.4	4.0	0.6	0.6

Strong maturity with high levels of improvement is indicated by the ICS maturity summary – the right hand “improvement” column indicates by how much ICS posture has strengthened over the reporting period.

Improvement is very good (dark green) in business continuity, incident management and communications security.

Improvement is good (medium green) in the main body of the summary.

Posture has been maintained (light yellow) in all other areas.



Of exceptional note is the improvement and maturity recorded at strategic level in relation to business continuity planning, communication and management which currently scores at the highest possible level of advanced maturity (5) with significant improvement over the reporting period.

Incident management, introduction of enhanced back-up procedures, cryptography, MFA and a wide range of security applications and controls underpin high levels of overall improvement.

## Maturity Gap Improvement

The change between Baseline and current ICS maturity levels over the reporting period is illustrated in the following set of charts.



The charts above display the ICS maturity areas using gap analysis - Current vs Baseline. (Green) bars in the maturity posture and improvement charts indicate where improvement has been made as detailed in the previous section.

Focus is given to the (Orange) areas in the Maturity Gap chart (middle) where further improvement opportunity has been identified and may be considered for prioritisation.

1. A gap score greater than 2 indicates significant maturity improvement is required (no areas)
2. A gap score of between 1 and 2 indicates maturity improvement is recommended (4 areas)
3. A gap score of 1 or less indicates incremental improvements may be gained (9 areas)
4. A gap score of zero or lower indicates that ICS maturity is high and should be maintained (5 areas)

Area 1 – there were **0 significant** gaps identified in organisational maturity at the end of the reporting period.

Area 2 – improvement in completion of activity in relation to Terms and definitions, organisation of information security, physical security and supplier security are recommended – improvements relate to completion of policy documentation, introduction of cloud risk questionnaires, alignment with GDPR controls (e.g., classification scheme) – physical security scoring remains unchanged as it was not possible to assess this area over the reporting period.

Area 3 – relates substantially to completion of policy and documentation to the point of sign off and review following significant digital upgrades and an element of bedding in of new technologies – which can be managed as business as usual.

Area 4 - the report indicates that ICS risk is currently fully mitigated in areas of incident and business continuity management with mature procedures in place.

## Areas of Significant Improvement

Areas of excellence were demonstrated at strategic, tactical and operational level in relation to business continuity arrangements and incident management event of a cyber-attack. Areas of strong to excellent improvement include introduction and control of cryptography, improved control of back up procedures and introduction of cyber security risk management procedures.

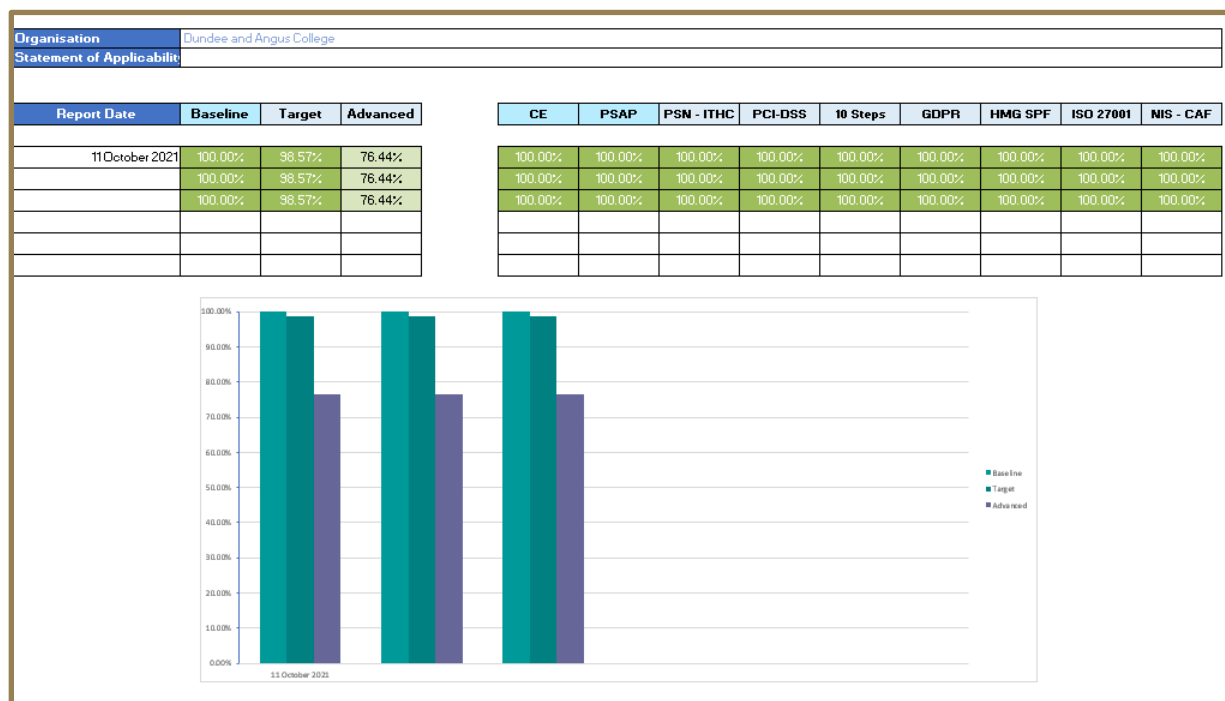
Progress in governance, incident management and network security have also contributed to reduced risk and a hardening of the security posture.

It should be noted that although there was a significant increase in external risk and threat level due to Covid related change and heightened threat actor activity, there were no areas of maturity regression recorded over the reporting period despite increased pressure on remote service and device usage which, consequently, had minimal impact on overall security posture.



## Public Sector Action Plan Assessment

A Public Sector Action Plan Assessment using the current version of the Cyber Resilience Framework self-assessment tool has been completed. Scoring is taken from the ICS maturity model values and applied to the assessment criteria in line with current NCSC guidance based on the ISO 27001 standards.



The assessment scoring indicates that information and cyber security levels at Dundee are currently substantively within the “advanced” range which indicates activity towards the highest level of ICS security management as defined by the National Cyber Security Centre (NCSC).

100.00% of baseline ICS levels reached

98.57% of target ICS levels reached

76.44% of advanced ICS levels reached

This is a leading result within the HE/FE sector.



### Recommendations

It is important to note that the threat of significant cyber security incident to the HE/FE sector continues to rise and significantly evolve year on year. Effective ICS mitigation and protection is best approached as a continuous improvement programme of managed activity providing countermeasures against improved or invigorated cyber-criminal activity. The following recommendations are included to provide ongoing systematic management of ICS threats and activities.

- Continuance of existing best practice in all areas in order to maintain the security posture and continuously address ICS risk throughout the organisation and for all stakeholders
- Direct focus on completion of activities to embed best practice in ICS across the organisation in order to replicate the success and clarity of improvements in information and cyber security namely
  - completion of technical standards documentation
  - introduction of cloud risk questionnaires to improve procurement and change management security
  - closer alignment with GDPR and information governance controls
- Focus be applied in future reporting cycles to maintain continuous improvement and embed improved security practice, procedures and systems as business as usual
  - completion of policy and documentation to the point of sign off and ongoing review
  - bedding in of new technologies
- Areas overdue for review Physical Security
- Continuance of RAID and Maturity tool utilisation for management, monitoring and to ensure consistent, auditable and evidenced continuous improvement in information and cyber security.
- Maintenance of current monitoring arrangements for ongoing quantification and management of risk and security posture against existing internal/external auditable standards and assessment including the Public Sector Action Plan/cyber resilience framework
- Continuance of CE+ certification
- Annual review and reporting of information and cyber security progress and activity.



## Appendices

### Appendix 1: RAID log (current)



RAID Log (D&A -  
2021).xlsx

### Appendix 2: Maturity Posture (current)



Information Security  
Maturity Tool (D&A -

### Appendix 3: Public Sector Action Plan Assessment 2021



Cyber Resilience  
Framework - Self Asses

### Appendix 4: Calculating Risk and Maturity Improvement

#### Calculating Risk and Maturity Improvement

Following ongoing review of information and cyber security services conducted for Dundee and Angus College over 2021, an updated report on information and cyber security (ICS) risk management has been provided. The purpose of this annual report is to articulate measures with KPI's (Key Performance Indicators) put in place to monitor and improve cyber security risk and maturity management within the organisation.

All risk scoring is from 0 to 25 with a score of 25 (Likelihood 5 x Impact 5 = 25 critical) being the maximum possible value for risk facing the organisation. Maturity scoring is from 0 to 5 with 0 being low to no maturity and 5 being advanced maturity levels.

Improvement is rated by percentage of maximum possible scoring

0%	= no change
0 to 5 %	= minor improvement
5 to 10 %	= good improvement
15 to 20%	= substantial improvement
> 20%	= significant improvement



**JOINT AUDIT & RISK,  
FINANCE & PROPERTY COMMITTEE**



**Tuesday 7 December 2021**

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**Strategic Risk Register**

**PAPER J**

**10.1 Strategic Risk Register  
10.2 COVID-19 Risk Register**

# **BOARD OF MANAGEMENT**

## **Audit and Risk Committee**

### **Tuesday 7 December 2021**



## **Strategic Risk Register Update**

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### ***Paper for approval***

#### **1. Strategic and COVID Risk Registers**

A copy of the November 2021 draft Strategic Risk Register and COVID-19 Risk Register are enclosed. These have been raised with the Senior Leadership Team and through the Board Committee arrangements. No amendments have been made from those approved and submitted to the Board in September 2021.

#### **2. Brexit Risk**

No change has been made to the Strategic Risk Register, but arrangements do remain under review. In addition to consideration around the impact that current availability and pricing are having on some materials necessary for curriculum delivery, the College is also looking at arrangements surrounding current EU funded projects. These projects remain eligible for funding through to completion and planning is looking at how these will be phased out over the coming few years. Projects are generally cash neutral, but innovation/opportunity loss will be noted unless replaced by other project opportunities.

#### **3. Credit Target Risks**

Members of the Committee will be aware that 2021/2022 full-time student recruitment has been impacted by COVID-19, with a reduction of c600 students compared to last year.

Extensive work has been undertaken to mitigate the risks associated with not meeting the overall credit target, including expanding part-time and January start provision.

This is a sector wide issue, and Colleges Scotland is in discussion with the Scottish Government and Scottish Funding Council to retain the COVID-19 flexibilities introduced for 2019/20 and 2020/21 for the current year. SFC have responded sympathetically to this request, but formal confirmation of any changes is still awaited.

#### **4. Approvals**

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

- Approval of the Strategic and additional COVID-19 Risk Registers

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



# STRATEGIC RISK REGISTER

**2021 - 2022**

As at November 2021

<b>Post Holders</b>	ELT	Executive Leadership Team	Prin	Principal	<b>Score</b>	<b>Impact</b>	<b>Likelihood</b>
	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"><li>Robust strategic planning</li><li>Effective environmental scanning</li><li>Strong partnerships</li><li>Clear links between strategy and practice</li><li>Concerted demands for increased activity levels</li></ul>	4	1	4	<ul style="list-style-type: none"><li>Robust monitoring via ROA</li><li>Clear performance metrics</li><li>Amendment of strategic direction/ plans</li><li>Rolling curriculum review</li></ul>	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"><li>Effective environmental scanning</li><li>Negotiation/influence at national level</li></ul>	4	2	8	<ul style="list-style-type: none"><li>Review of changes and amendment of strategic direction/plans</li><li>Financial strategy sensitivities</li></ul>	Prin & Chair
1.3 Board	College disadvantaged by changes arising from UK leaving European Union	5	4	20	<ul style="list-style-type: none"><li>Negotiation/influence at national level</li><li>Review of activities/ projects</li><li>Responsiveness to new opportunities</li></ul>	5	3	15	<ul style="list-style-type: none"><li>Review of changes and amendment of strategic direction/plans/ curriculum</li><li>Financial strategy</li><li>Workforce planning</li><li>International strategy &amp; planning</li><li>Post Brexit planning</li></ul>	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

<b>Post Holders</b>	ELT	Executive Leadership Team	Prin	Principal	<b>Score</b>	<b>Impact</b>	<b>Likelihood</b>
	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	Difficulties or over commitment arising within large scale/national College led initiatives or projects impact negatively on: <ul style="list-style-type: none"><li>Ability of the College to meet key regional strategies/objectives</li><li>Financial loss or unmanageable financial risk</li><li>Reputational loss</li></ul>	4	3	12	<ul style="list-style-type: none"><li>Effective project/activity management in place</li><li>Clear governance structures</li><li>Project/initiative finances clearly incorporated within College financial strategy and plans</li><li>End of project and exit/contingency planning</li></ul>	3	2	6	<ul style="list-style-type: none"><li>Regular project updates at Executive/Board level</li><li>Monitoring of project activities, plans and outcomes</li><li>Clear project Management arrangements in place</li><li>Budget reporting and management</li></ul>	Principal, VPC&A
1.5 Board	College disadvantaged as a result of changes arising from major national educational body reviews: SFC, SQA, EdS	4	4	16	<ul style="list-style-type: none"><li>Negotiation/influence at national level</li><li>Review of activities/ projects and response to new opportunities</li></ul>	4	1	4	<ul style="list-style-type: none"><li>Robust monitoring via ROA</li><li>Amendment of strategic direction/ plans</li><li>Rolling curriculum review</li></ul>	Prin

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	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Responsibility
<b>2</b>	<b>Financial</b>									
<b>2.1</b> <b>F&amp;P</b>	Change in SFC Funding Methodology and Allocation – Reduction in Funding	3	3	9	<ul style="list-style-type: none"> <li>Negotiation/influence at national level</li> <li>Contingency plans for reduced funding</li> </ul>	2	3	6	<ul style="list-style-type: none"> <li>Advance modelling of new funding methodologies and allocations</li> <li>Monitoring impact of changes</li> <li>Amendment of strategic or operational direction/plans</li> <li>Financial strategy sensitivities</li> </ul>	VPCS
<b>2.2</b> <b>F&amp;P</b>	Failure to achieve institutional sustainability	5	4	20	<ul style="list-style-type: none"> <li>Protection of funding through dialogue with SFC</li> <li>Robust annual budget-setting and multi-year financial strategic planning</li> <li>Effective budgetary control</li> <li>Where required, swift action to implement savings</li> </ul>	4	3	12	<ul style="list-style-type: none"> <li>Monthly monitoring of budgets</li> <li>Regular review of financial strategy and non-core income sensitivity</li> <li>Detailed monitoring of savings programmes</li> </ul>	VPCS
<b>2.3</b> <b>F&amp;P</b>	National outcomes on salaries and conditions of service outstrip ability to pay	4	4	16	<ul style="list-style-type: none"> <li>Influence within Employers Association</li> <li>Management of staffing expenditures</li> </ul>	4	3	12	<ul style="list-style-type: none"> <li>Expenditure modelling</li> <li>On-going discussions with staff</li> <li>Financial strategy sensitivities</li> <li>Workforce planning</li> </ul>	VPP&P, VPCS

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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
<b>2</b>	<b>Financial (cont)</b>									

<b>2.4</b> <b>A&amp;R</b>	Financial Fraud	4	3	12	<ul style="list-style-type: none"> <li>Strong financial controls: segregation of duties and review of transactions.</li> <li>Review of impact of any changes in structure or duties</li> <li>Whistleblowing arrangements</li> </ul>	3	2	6	<ul style="list-style-type: none"> <li>Continuous review of financial controls</li> <li>Internal Audit programme</li> </ul>	VPCS
<b>2.5</b> <b>F&amp;P</b>	D&A Foundation refuses/withholds funding for key College priorities	5	3	15	<ul style="list-style-type: none"> <li>On-going dialogue with Foundation Trustees</li> <li>Appropriate bid arrangements in place</li> </ul>	3	2	6	<ul style="list-style-type: none"> <li>Monitor and advise Board of Management</li> </ul>	Prin & VPCS
<b>2.6</b> <b>F&amp;P</b>	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"> <li>Multi-year estates strategy and capital planning</li> <li>Lobbying of SFC on capital and backlog maintenance funding</li> <li>Planning for D&amp;A Foundation bids</li> </ul>	2	2	4	<ul style="list-style-type: none"> <li>Monitoring of capital plans and expenditures</li> <li>Regular review of capital plans/timescales relative to funds</li> </ul>	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"><li>• Clear quality arrangements and priority actions</li><li>• Continuous self-evaluation and action planning</li><li>• Rigorous CPD arrangements in place</li><li>• Regular classroom observation and learner feedback arrangements</li></ul>	3	2	6	<ul style="list-style-type: none"><li>• Comprehensive monitoring of key PIs and student/staff feedback</li><li>• Regular Stop and Review events</li><li>• External review and validation findings</li></ul>	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"><li>• Robust strategic planning and monitoring</li><li>• Effective environmental scanning</li><li>• Strong partnerships</li><li>• Clear links between strategy and practice</li><li>• Concerted demands for increased activity levels</li></ul>	2	2	4	<ul style="list-style-type: none"><li>• Effective internal monitoring/review/verification arrangements</li><li>• External review findings</li></ul>	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"><li>• Adherence to legislative and good practice requirements</li><li>• Positive Union relations and staff communication</li><li>• Effective management development programmes</li></ul>	3	2	6	<ul style="list-style-type: none"><li>• Monitoring and reporting in key areas – eg H&amp;S, equalities, employee engagement</li><li>• Continuous professional development</li><li>• Internal audit programme</li><li>• Staff surveys</li></ul>	Prin, VPP&P, VPCS, HoE

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	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
<b>3</b>	<b>People and Performance (cont.)</b>									
<b>3.4</b> <b>HR&amp;D</b>	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"> <li>Clear and proactive approaches to managing and promoting health, safety and wellbeing</li> <li>Continuous self-evaluation and action planning</li> <li>Rigorous CPD arrangements in place</li> <li>Regular staff and learner feedback arrangements</li> </ul>	3	2	6	<ul style="list-style-type: none"> <li>Regular employee engagement monitoring</li> <li>Open communication with staff</li> <li>Comprehensive monitoring of key PIs and student/staff feedback</li> <li>Regular union/management dialogue</li> </ul>	VPP&P, VPCS
<b>3.5</b> <b>Board</b>	Reputational Risk – Loss of reputation with key stakeholders	4	3	12	<ul style="list-style-type: none"> <li>Marketing strategy</li> <li>Reputation plan</li> <li>Positive marketing approaches</li> </ul>	4	2	8	<ul style="list-style-type: none"> <li>Stakeholder engagement</li> <li>Social media monitoring arrangements</li> </ul>	VPC&A, DirC&A
<b>3.6</b> <b>HRD</b>	National bargaining outcomes impact adversely on College operations, activity and flexibility	4	4	16	<ul style="list-style-type: none"> <li>Influence within Employers Association</li> <li>Management of bargaining outcomes and implementation</li> </ul>	4	3	12	<ul style="list-style-type: none"> <li>Positive union relations and staff communication</li> <li>On-going discussions with staff</li> <li>Innovation in approaches</li> </ul>	VPP&P, VPC&A

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	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
<b>3</b>	<b>People and Performance (cont.)</b>									
<b>3.7</b> <b>HRD</b>	Industrial Relations Problems (including industrial action)	4	5	20	<ul style="list-style-type: none"> <li>Adherence to legislative and good practice requirements</li> <li>Positive Union relations and staff communication</li> <li>Effective management development programmes</li> <li>Industrial action continuity planning</li> </ul>	4	2	8	<ul style="list-style-type: none"> <li>Regular union/management dialogue</li> <li>Regular employee engagement monitoring</li> <li>Open communication with staff</li> <li>Industrial action continuity planning</li> </ul>	VPP&P
<b>3.8</b> <b>A&amp;R</b>	Breach of data security / data protection	5	4	20	<ul style="list-style-type: none"> <li>Effective management of GDPR compliance</li> <li>Mandatory staff CPD and awareness raising on data protection (relative to role)</li> </ul>	4	2	8	<ul style="list-style-type: none"> <li>Active data protection monitoring and auditing</li> <li>Effective information and data security policies in operation</li> <li>Regular data security monitoring/testing</li> <li>GDPR Action Plan</li> <li>Staff CPD</li> </ul>	VPC&A, HoICT
<b>3.9</b> <b>HRD</b>	Failure to meet Prevent and related obligations	5	3	15	<ul style="list-style-type: none"> <li>Prevent training</li> <li>Staff awareness and contingency planning</li> <li>Engagement/practice sharing with local agencies</li> </ul>	5	1	5	<ul style="list-style-type: none"> <li>Business Continuity Plan including scenario testing</li> <li>Information sharing with local agencies</li> </ul>	VPC&A, VPP&P

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

Post Holders	ELT	Executive Leadership Team	Prin	Principal	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
<b>3</b>	<b>People and Performance (cont.)</b>									
<b>3.10 HRD</b>	College arrangements do not minimise risk associated with Modern Slavery	4	3	12	<ul style="list-style-type: none"> <li>Clear and compliant procurement arrangements and procedures</li> <li>Staff identity checking arrangements and use of PVG.</li> </ul>	4	1	4	<ul style="list-style-type: none"> <li>Annual procurement monitoring/reporting</li> <li>Regular employee engagement monitoring</li> <li>Open communication with staff</li> </ul>	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
<b>4</b>	<b>Infrastructure</b>									

<b>4.1</b> <b>A&amp;R</b>	Disasters – eg Fire, MIS Failure, Failure of Emergency Procedures	5	4	20	<ul style="list-style-type: none"> <li>Sound systems of administration</li> <li>Clear fire and disaster recovery arrangements</li> <li>Staff CPD</li> </ul>	5	1	5	<ul style="list-style-type: none"> <li>Business Continuity Plan including scenario testing</li> </ul>	Prin & VPCS
<b>4.2</b> <b>F&amp;P</b>	Failure to achieve ambitions of Digital strategy; strategy and development is ineffective	4	3	12	<ul style="list-style-type: none"> <li>Planning, careful phasing of changes to processes and systems</li> <li>Effective management of ICT arrangements</li> <li>Clear investment plan</li> </ul>	4	2	8	<ul style="list-style-type: none"> <li>Regular review/reporting on milestones, systems effectiveness etc</li> <li>Regular CPD</li> </ul>	VPC&A, HoICT
<b>4.3</b> <b>A&amp;R</b>	Breach of ICT/Cyber security	4	3	12	<ul style="list-style-type: none"> <li>Effective management of ICT arrangements</li> <li>Active ICT/data security monitoring and cyber security policy</li> </ul>	4	2	8	<ul style="list-style-type: none"> <li>Staff CPD on cyber security issues</li> <li>Regular security monitoring/testing</li> <li>Cyber resilience plan</li> </ul>	VPC&A, HoICT
<b>4.4</b> <b>A&amp;R</b>	ICT infrastructure fails to support effective data security / data protection	5	3	15	<ul style="list-style-type: none"> <li>Effective infrastructure and systems design and implementation</li> <li>Effective management of ICT arrangements and GDPR compliance</li> </ul>	4	2	8	<ul style="list-style-type: none"> <li>Active data protection monitoring and auditing</li> <li>Effective information and data security policies in operation</li> <li>Regular data security monitoring/testing</li> </ul>	VPC&A, HoICT

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



# STRATEGIC RISK REGISTER COVID 19 SPECIFIC MITIGATIONS

**2021 - 2022**

As at November 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			Lead Responsibility
	Risks	Impact	Likelihood	Score	Additional COVID 19 Mitigation Actions	Impact	Likelihood	Score	Additional COVID 19 Monitoring	
<b>1</b>	<b>Strategic and Structural</b>									
<b>1.1 LT&amp;Q</b>	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"> <li>Regular strategic analysis and assessment of need for change</li> <li>Strong engagement with government and key partners – influencing national priorities</li> <li>Clear prioritisation of activities</li> <li>Focus on core business</li> </ul>	4	3	12	<ul style="list-style-type: none"> <li>Regular monitoring of recruitment, retention, ROA Outcomes and key strategic needs by SLT and reporting to Chairs</li> <li>Amendment of strategic direction/ plans</li> <li>Rolling curriculum, activity and priority review and implementation of new approaches/services where needed</li> <li>Engagement with government and other partners</li> </ul>	Prin & Chair
<b>1.4 Board</b>	Difficulties or over commitment arising within large scale/national College led initiatives or projects impact negatively on: <ul style="list-style-type: none"> <li>Ability of the College to meet key regional strategies/objectives</li> <li>Financial loss or unmanageable financial risk</li> <li>Reputational loss</li> </ul>	4	3	12	<ul style="list-style-type: none"> <li>Clear prioritisation of activities</li> <li>Effective project/activity management in place</li> <li>Strong engagement with partners/funders</li> <li>Clear governance structures</li> <li>Project/initiative finances clearly understood and reviewed regularly</li> <li>Project cessation, pausing or contingency planning in place</li> </ul>	4	2	8	<ul style="list-style-type: none"> <li>Regular project updates at Executive/Board level</li> <li>Monitoring of project activities, plans and outcomes</li> <li>Budget reporting and management</li> </ul>	Principal, VPC&A

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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	Additional COVID 19 Mitigation Actions	Impact	Likelihood	Score	Additional COVID 19 Monitoring	Lead Responsibility
<b>1</b>	<b>Strategic and Structural</b>									
<b>1.6 Board</b>	Post pandemic planning fails to meet the needs of the D&A Region and/or national priorities on economic and social recovery	4	3	12	<ul style="list-style-type: none"> <li>Regular strategic analysis and assessment of need for change</li> <li>Strong engagement with government and key partners – influencing national priorities</li> <li>Clear prioritisation of activities</li> <li>Focus on core business</li> <li>Revised economic and social recovery activities</li> </ul>	3	2	6	<ul style="list-style-type: none"> <li>Regular monitoring of new/updated activities and outcomes</li> <li>Amendment of strategic direction/ plans</li> <li>Rolling curriculum, activity and priority review and implementation of new approaches/services where needed</li> <li>Engagement with government and other partners</li> <li>Employer and Community engagement</li> </ul>	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

<b>Post Holders</b>	ELT	Executive Leadership Team	Prin	Principal	<b>Score</b>	<b>Impact</b>	<b>Likelihood</b>
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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									
2.2 F&P	Failure to achieve institutional sustainability	5	4	20	<ul style="list-style-type: none"><li>Protection of funding through dialogue with government, SFC and other funders</li><li>Robust and effective budgetary control</li><li>Where required, swift action to implement savings</li><li>Increased focus on cash position</li></ul>	4	2	8	<ul style="list-style-type: none"><li>Monthly monitoring of budgets</li><li>Engagement with government and other partners</li><li>Detailed monitoring of income optimisation and savings programmes</li></ul>	VPCS
2.4 A&R	Financial Fraud	4	3	12	<ul style="list-style-type: none"><li>Revised financial controls: segregation of duties and review of transactions.</li><li>Review of impact of changes in ways of working, authorisation arrangements</li><li>Whistleblowing arrangements</li></ul>	3	2	6	<ul style="list-style-type: none"><li>Continuous review of financial controls and revised arrangements</li></ul>	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



<b>Post Holders</b>	ELT	Executive Leadership Team	Prin	Principal	<b>Score</b>	<b>Impact</b>	<b>Likelihood</b>
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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									
3.1 LT&Q	Failure to reach aspirational standards in learning, teaching and service delivery	4	3	12	<ul style="list-style-type: none"><li>• Clear input and engagement with revised quality arrangements and priority actions</li><li>• Rigorous CPD arrangements in place to support new ways of working</li><li>• Regular learner feedback and engagement arrangements</li></ul>	3	2	6	<ul style="list-style-type: none"><li>• Comprehensive monitoring of engagement of learners in learning (where possible)</li><li>• Engagement with revised quality arrangements</li><li>• Outcome monitoring</li></ul>	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"><li>• Engagement and communication strategy with compliance bodies</li><li>• Clear input and engagement with revised quality arrangements and priority actions</li><li>• Prioritisation of activities/outcomes</li></ul>	3	2	6	<ul style="list-style-type: none"><li>• Effective internal monitoring/review/verification arrangements</li><li>• Engagement with revised quality arrangements and contingency plans</li><li>• Outcome monitoring/recording</li></ul>	VPP&P, VPC&A

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<b>Post Holders</b>	ELT	Executive Leadership Team	Prin	Principal	<b>Score</b>	<b>Impact</b>	<b>Likelihood</b>
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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
<b>3</b>	<b>People and Performance (cont.)</b>									
<b>3.4</b> <b>HR&amp;D</b>	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"> <li>Clear and proactive approaches to supporting and promoting health, safety and wellbeing when WFH and/or on-site</li> <li>Project 2020 developments and mitigations</li> <li>Outbreak management plan</li> <li>Enhanced awareness of challenges/support needs</li> <li>Extensive CPD arrangements in place – Home Working Hub</li> <li>Regular staff and learner feedback arrangements</li> </ul>	3	2	6	<ul style="list-style-type: none"> <li>Regular employee engagement monitoring</li> <li>Maintaining and reporting on physical distancing measures</li> <li>Open communication with staff</li> <li>Monitoring of formal and informal feedback – student and staff feedback</li> <li>Regular union/management dialogue</li> </ul>	VPP&P, VPCS
<b>3.5</b> <b>Board</b>	Reputational Risk – Loss of reputation with key stakeholders	4	3	12	<ul style="list-style-type: none"> <li>Marketing strategy</li> <li>Reputation plan</li> <li>Positive marketing approaches</li> <li>Outbreak management communications plan</li> </ul>	4	3	12	<ul style="list-style-type: none"> <li>Positive marketing plan</li> <li>Regular stakeholder engagement</li> <li>Social media engagement and monitoring arrangements</li> </ul>	Prin DirC&A

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	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
<b>3</b>	<b>People and Performance (cont.)</b>									
<b>3.7</b> <b>HRD</b>	Industrial Relations Problems (including industrial action)	4	5	20	<ul style="list-style-type: none"> <li>Adherence to legislative and good practice requirements</li> <li>Positive Union relations and staff communication</li> <li>Effective management engagement and support</li> </ul>	4	2	8	<ul style="list-style-type: none"> <li>Regular union/management dialogue</li> <li>Open communication with staff</li> <li>Effective management engagement and support</li> </ul>	VPP&P
<b>3.8</b> <b>A&amp;R</b>	Breach of data security / data protection	5	4	20	<ul style="list-style-type: none"> <li>Effective management of GDPR compliance</li> <li>Additional awareness raising of WFH risks</li> <li>Mandatory staff CPD and awareness raising on data protection (relative to role)</li> </ul>	4	2	8	<ul style="list-style-type: none"> <li>Active data protection awareness raising</li> <li>Effective information and data security policies in operation</li> <li>Regular data security monitoring/testing</li> <li>Staff CPD</li> </ul>	VPC&A, HoICT
<b>3.11</b> <b>HRD</b>	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"> <li>Clear scenario and contingency planning</li> <li>COVID 19 H&amp;S mitigations in place, monitored and adapted where required</li> <li>All appropriate government guidance followed</li> </ul>	3	2	6	<ul style="list-style-type: none"> <li>Monitoring of COVID 19 cases and absences</li> <li>Outbreak management arrangements</li> <li>Amendment to support prioritised services</li> </ul>	Prin VPC&A

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	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
<b>3</b>	<b>People and Performance (cont.)</b>									
<b>3.12 HRD</b>	Post pandemic ways of working and workforce planning fails to meet the needs of staff and College strategic/operational needs	4	3	12	<ul style="list-style-type: none"> <li>New ways of Working Workstream</li> <li>Updated and flexible Workforce planning</li> <li>Extensive engagement with unions / staff on future ways of working</li> <li>Monitoring and rapid action on staff turnover / recruitment</li> </ul>	3	2	6	<ul style="list-style-type: none"> <li>Regular monitoring and evaluation of new/updated ways of working, activities and outcomes</li> <li>Amendment of direction/ workforce plans</li> <li>Engagement with unions/staff</li> <li>Monitoring and rapid action on staff turnover / recruitment</li> </ul>	VPP&P VPC&A

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Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS				TREATMENT	POST MITIGATION EVALUATION				
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Responsibility
4	Infrastructure									
4.3 A&R	Breach of ICT/Cyber security	4	3	12	<ul style="list-style-type: none"><li>Effective management of ICT arrangements</li><li>Active ICT/data security monitoring and cyber security policy</li><li>Additional awareness raising of WFH risks and COVID related ‘scams’</li></ul>	4	2	8	<ul style="list-style-type: none"><li>Staff awareness raising/CPD on cyber security issues</li><li>Regular security monitoring/testing</li><li>Cyber resilience plan</li></ul>	VPC&A, HoICT
4.5 LT&Q	ICT/Cyber failure significantly disrupts online learning, teaching or other core services	4	3	12	<ul style="list-style-type: none"><li>‘Cloud first’ strategy implementation for major services/systems</li><li>Clear and robust management of ICT systems</li></ul>	3	1	3	<ul style="list-style-type: none"><li>Systems monitoring</li><li>On-going cyber resilience and systems development</li></ul>	HoICT



**JOINT AUDIT & RISK,  
FINANCE & PROPERTY COMMITTEE**

**Tuesday 7 December 2021**

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**Annual Accounts**

<b>12.1 Internal Audit Annual Report</b>	<b>Paper K</b>
<b>12.2 Audit Scotland Covering Letter</b>	<b>Paper L</b>
<b>12.3 Audit Scotland Annual Report</b>	<b>Paper M</b>
<b>12.4 Financial Statements for the Year ended 31 July 2021 - Embargoed</b>	<b>Paper N</b>

# Dundee and Angus College

## Annual Report to the Board of Management and Principal on the Provision of Internal Audit Services for 2020/21

Internal Audit report No: 2021/10

Draft issued: 16 November 2021

Final issued: 22 November 2021



## Contents

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# Annual Report and Opinion

## Introduction

- 1.1 We were re-appointed as internal auditors of Dundee and Angus College ('the College') for the period 1 October 2020 to 30 September 2023. The College reserves the right to extend the Contract for a further 24 months subject to satisfactory performance and continued College requirements. This report summarises the internal audit work performed during 2020/21.
- 1.2 An updated Audit Needs Assessment (ANA), based on the areas of risk that the College is exposed to, was prepared as part of our internal audit programme for 2018/19 (internal audit report 2019/01, prepared in May 2018). The ANA was developed through discussion with the Vice Principal (Corporate Services) and review of previous internal and external audit reports and covered the three-year internal audit cycle from 2018/19 to 2020/21. The ANA was based on the College's own Risk Register and also the risk prompt list for higher education institutions issued as a guide by the Higher Education Funding Council for England (HEFCE). This was supplemented by our own assessment of the risks faced by the College. Following on from the ANA, a Strategic Plan was formulated covering the three-year cycle, and this was approved by the Audit and Risk Committee, together with the ANA, at its meeting on 15 May 2018.
- 1.3 The annual operating plan for 2020/21 showed several changes to the allocation set out in the original Strategic Plan prepared in 2018:
  - the inclusion of a three-day review of Budgetary Control deferred from 2019/20 into 2020/21, and focused on financial reporting;
  - the inclusion of a four-day review of Systems Development / Implementation deferred from 2019/20 into 2020/21, which focused on remote working and progress on the implementation of the recommendations from the cyber-attack;
  - the addition of a two-day review on the College's arrangements for dealing with the National Fraud Initiative, which was originally added into the 2019/20 plan was subsequently deferred into 2020/21;
  - the re-focus of five days originally planned in 2020/21 for a review of Building maintenance / Estates strategy / capital projects to a review of Health, Safety and Wellbeing, which looked at the work that has been undertaken to allow College operations to continue during the COVID-19 pandemic and preparations for the reopening of College campuses once lockdown had eased; and
  - the removal of a four-day review of Procurement and Creditors / Purchasing, four day review of IT Network Arrangements and one day review of IT Strategy which were all accelerated and carried out as part of the 2019/20 programme.
- 1.4 The reports submitted are listed in Section 2 of this report and a summary of results and conclusions from each assignment is given at Section 3. These followed the programme set out in the operating plan.
- 1.5 An analysis of time spent against budget is at Section 4.

### Public Sector Internal Audit Standards (PSIAS) Reporting Requirements

- 1.6 The College has responsibility for maintaining an effective internal audit activity. You have engaged us to provide an independent risk-based assurance and consultancy internal audit service. To help you assess that you are maintaining an effective internal audit activity we:
- Confirm our independence;
  - Provide information about the year's activity and the work planned for next year in this report; and
  - Provide quality assurance through self-assessment and independent external review of our methodology and operating practices.
- 1.7 Self-assessment is undertaken through:
- Our continuous improvement approach to our service. We will discuss any new developments with management throughout the year;
  - Ensuring compliance with best professional practice, in particular the PSIAS;
  - Annual confirmation from all staff that they comply with required ethical standards and remain independent of clients;
  - Internal review of each assignment to confirm application of our methodology which is summarised in our internal audit manual; and
  - Annual completion of a checklist in May to confirm PSIAS compliance.
- 1.8 External assessment is built into our firm-wide quality assurance procedures. Henderson Loggie LLP is a member of Prime Global, a global association of independent accountancy firms. Continued membership of Prime Global is dependent on maintaining a high level of quality and adhering to accounting and auditing standards in the provision of our services. The independent MHA review conducted in March 2019 included our internal audit service. Overall, the review confirmed that the firm's policies and procedures relating to internal audit were compliant with the PSIAS in all material respects. In the intervening years, between formal independent review, annual quality reviews are conducted to confirm our continuing achievement of compliance with PSIAS.
- 1.9 The result of our self-assessment confirms that our service is independent of the College and complies with PSIAS.

### Significant Issues

- 1.10 All work conducted in 2020/21 assessed systems as either 'Good' or 'Satisfactory', or provided an unqualified audit opinion on College returns, and there were therefore no significant issues identifying major internal control weaknesses arising from our internal audit work. In general, procedures were operating well in the areas selected, but a few areas for further strengthening were identified and action plans have been agreed to address these issues.

### Opinions

- 1.11 In our opinion, the College has adequate and effective arrangements for risk management, control, and governance. Proper arrangements are in place to promote and secure Value for Money. This opinion has been arrived at taking into consideration the work we have undertaken during 2020/21 and in previous years since our initial appointment.

## Reports submitted

Number	Title	Overall Grade	Recommendations	Priority 1	Priority 2	Priority 3
2021/01	Annual Plan 2020/21	N/A	-	-	-	-
2021/02	Health, Safety and Wellbeing	Good	-	-	-	-
2021/03	Systems Development / Implementation	Good	-	-	-	-
2021/04	National Fraud Initiative	Good	-	-	-	-
2021/05	Budgetary Control (Financial Reporting)	Satisfactory	2	-	-	2
2021/06	Economic Recovery	Good	1	-	-	1
2021/07	Follow-Up Reviews	N/A	2 recommendations required further action	-	-	2
2021/08	Credits Audit	Audit opinion unqualified	-	-	-	-
2021/09	Student Support Funds	FE – unqualified HE – observations made EMA – unqualified	-	-	-	-

## Annual Internal Audit Report 2020/21

Overall gradings are defined as follows:

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

Recommendation grades are defined as follows:

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



## Summary of Results and Conclusions

### **2021/01 – Annual Plan 2020/21**

#### **Final Issued – September 2020**

The purpose of this document was to present for consideration by management and the Audit & Risk Committee the annual operating plan for the year ended 31 July 2021. The plan was based on the proposed allocation of audit days for 2020/21 set out in the Audit Needs Assessment and Strategic Plan 2018 to 2021, subject to the revisions set out in paragraph 1.3, above, from the original 2020/21 assignments set out in the three year Strategic Plan.

The outline scope, objectives and audit approach for each audit assignment to be undertaken, arrived at following discussion with the Vice Principal (Corporate Services), were set out in the report.



### 2021/02 – Health, Safety and Wellbeing

The scope of this audit was to undertake a review of the work that was undertaken to allow College operations to continue during the COVID-19 pandemic and also the preparations made for the reopening of College campuses as lockdown restrictions were eased.

The table opposite notes the objective for this review and records the results.

#### Strengths

- In response to the emerging risk of COVID-19, the College developed a Business Continuity Plan in March 2020 specifically for pandemic illnesses. We noted that the content of the plan reflects best practice guidance produced by the World Health Organisation (WHO) and the UK Government.
- We reviewed evidence that the Project – COVID-19 Group referred to the latest Scottish Government and Health Protection Scotland guidance throughout the lockdown period. This guidance was used to inform the development of a range of communications and guidance for staff and students, including information on: remote working for staff; guidance on engaging with students in an online learning environment; advice for students on learning online; student funding and other financial support; mental health support resources for staff and students; and advice on student attainment and assessment.
- A whole of College approach was adopted by the College in maintaining engagement with students during lockdown to ensure that students remained informed and that students were able, as far as possible, to complete their studies.
- The College identified engagement plans to provide continued support to vulnerable students via phone, email, and Microsoft Teams. Mechanisms were established from an early stage during lockdown to ensure that vulnerable students were identified and were provided with access to support on a range of issues, including mental health; academic issues; financial support and guidance, and working with external support agencies to supplement support provided by College staff, where this was required.
- We noted that the College response to staff working remotely from home included identifying critical roles within the College and ensuring that these members of staff were provided with IT equipment to allow them to continue to operate remotely and securely in order to minimise disruption to key operations. Remote working facilities were available to staff prior to the COVID-19 pandemic, although the scale of this remote working capability was rapidly increased to ensure that there was sufficient capacity for all staff who needed to work from home to do so.

Final Issued – September 2020 Overall Grade: Good

Objective	
<b>The specific objectives of this audit were to obtain reasonable assurance that:</b>	
1. Review the work that has been undertaken to allow College operations to continue during the COVID-19 pandemic has, as far as possible, minimised the impact on the student experience. This includes: <ul style="list-style-type: none"> <li>♦ appropriate business continuity / contingency plans in place covering all of the College's activities and locations; and</li> <li>♦ adequate communication and testing of the business continuity plans / contingency plans.</li> </ul>	<b>Good</b>
2. Appropriate preparations are being made and robust plans developed to ensure that College campuses can safely reopen once the COVID-19 lockdown is eased, taking into account all Scottish Government and Health and Safety Executive Guidance relevant to education providers.	<b>Good</b>



### **Strengths (Continued)**

- We noted that the College response to staff working remotely from home included identifying critical roles within the College and ensuring that these members of staff were provided with IT equipment to allow them to continue to operate remotely and securely in order to minimise disruption to key operations. Remote working facilities were available to staff prior to the COVID-19 pandemic, although the scale of this remote working capability was rapidly increased to ensure that there was sufficient capacity for all staff who needed to work from home to do so.
- Contingency planning was undertaken during the early phases of the COVID-19 lockdown, which allowed the College to consider a range of potential options and solutions for the start of the 2020/21 academic session. These options were based on the information and guidance made available from the Scottish Government and health protection agencies at that time.
- Our review of the College's arrangements for the safe reopening of its campuses confirmed that plans are aligned with the measures outlined in the College's business continuity plan for pandemics, which was produced in March 2020. We also confirmed that the plans put in place, and the preparations made for the safe reopening of campuses, also reflect the principles and requirements of the Scottish Government guidance for Colleges, and the more general Working Safely Guide published by the Health & Safety Executive (HSE).
- On 24 August 2020, the College responded to a request for information from the Scottish Government, by reporting a summary of COVID-19 related adaptations, mitigations, and information. We found that the measures outlined in report were in line with guidance issued by the Scottish Government and Health Protection Scotland, as well as reflecting the procedures outlined in the College's Outbreak Management Plan, which details the steps that should be taken in the event of a COVID-19 outbreak at the College.
- A desktop testing exercise of the Outbreak Management Plan was undertaken in late August 2020.

### **Weaknesses**

- We did not identify any significant weaknesses during our review. The COVID-19 situation is subject to rapid change with the guidance issued by the Scottish Government, health protection agencies and the HSE being updated regularly. National and local lockdown restrictions may also change at short notice and therefore the College will need to remain vigilant in order to ensure that a dynamic review of local and national circumstances is maintained to allow both its outbreak management and recovery plans to flex and adapt to any changes in COVID-19 risks.



### Report No 2021/03 – Systems Development / Implementation

Remote working due to the COVID-19 pandemic heightens existing cyber risks and introduces new ones to many organisations. This audit considered whether the internal control environment is sufficiently robust to protect the College.

The table opposite notes each separate objective for this review and records the results.

#### Strengths

- Following the forensic review into the circumstances of the cyber-attack in 2020 the College acted swiftly to address the key findings with seven of the eight recommendations implemented immediately. The College remains on track to implement the remaining action by the July 2021 target date. We also noted that the College has implemented further measures over and above the recommendations made following the cyber-attack report which are designed to reduce the impact of future cyber-attacks.
- Good progress has 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.
- Following a substantial review of information and cyber security services conducted by Higher Education / Further Education Shared Technology and Information Services (HEFESTIS), the College has implemented a framework for Information and Cyber Security (ICS) risk management. The HEFESTIS review observed that there had been a significant and substantial improvement on the recorded College ICS risk posture over the period January to October 2020.
- Our review identified several good practice controls in place to support remote working for users whilst making the infrastructure secure.
- Microsoft Teams has now become a primary operational and communication tool for the College. Sign-in for users to Microsoft Teams is enabled using their College email address and their College access credentials which allows the ICT team full control over who can access the service. The College has also integrated Microsoft Teams with Azure Active Directory which allows for improved security and configuration. A range of security features are built into Microsoft Teams including, multi-factor authentication (MFA) access controls, enforced least privileged access rights across Microsoft Teams and Office 365, classification criteria for sensitive data, prevention of file downloads to devices not approved or managed by the College, and the ability to audit and trace data sharing with external users.

Final Issued – March 2021

Overall grade:  
Good

The objective of this audit was to obtain reasonable assurance that:	
1. Appropriate progress is being made to implement the recommendations from the cyber-attack.	Good
2. Remote desktop and remote applications controls are in place.	Good
3. Controls have been implemented to ensure that electronic and digital communication tools, including email, Zoom and Microsoft Teams, are secure.	Good





### ***Strengths (Continued)***

- Following a risk assessment of Zoom, together with the findings of the forensic review following the cyber-attack, the College has taken the decision not to allow the use of Zoom by staff.
- The implementation of Office 365 and the associated controls which have been enabled has improved the security of the College email system, which is a common attack vector through social engineering, malware, or phishing attacks.

### ***Weaknesses***

- No significant weaknesses were identified during our review.



## Report No 2021/04 – National Fraud Initiative

The scope of the review did not duplicate the work which Audit Scotland conduct in order to report on the College's engagement in submitting the base data and investigating any matches identified. Instead, our review focused on the process followed for the 2020/21 NFI exercise, in order to assess lessons learned and progress made since the 2018/19 exercise, where Audit Scotland highlighted issues around the timing of submission of NFI payroll data.

The table opposite notes each separate objective for this review and records the results.

### Strengths

- The College has met the NFI deadlines to upload the required data for the 2020/21 NFI exercise as set by Audit Scotland;
- The College continues to use the NFI website to update the progress of the outcomes of the investigation of the data match outputs;
- At the time of this review the College had completed the investigation of the NFI outputs with no fraudulent activity identified;
- The College's fraud risks are reviewed and updated as an integral part of the Strategic Risk Register process; and
- The Audit & Risk Committee is informed of the progress and outcomes of the NFI exercise and reviews fraud related risk as part of its regular review of the Strategic Risk Register.

### Opportunities for improvement

- We did not identify any significant weaknesses during our review but noted that the College had already identified opportunities for improvement in the areas of data quality and the completion of Conflict of Interest (Col) declarations. Actions to address these points are being taken forward.
- There is an effective process in place for updating the General Ledger with the monthly payroll output.

Final Issued – March 2021

Overall grade: Good

The objective of this audit was to obtain reasonable assurance that the College can demonstrate:	
1. There are effective arrangements in place to provide the required data, in the format requested, within the timescales set out by Audit Scotland.	Good
2. The Audit & Risk Committee is properly sighted on the work required to ensure compliance with the NFI guidance and is informed of the outcome of the data matching process in order to allow consideration of any associated risks around the prevention and detection of fraud.	Good
3. The National Fraud Initiative Self-Assessment Checklist has been completed and improvement actions identified.	Good



## Report No 2021/05 – Budgetary Control (Financial Reporting)

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 opposite notes each separate objective for this review and records the results.

### 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.

Final Issued – May 2021

Overall grade: Satisfactory

The objective of this audit was to obtain reasonable assurance that:	
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. 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



### ***Opportunities for improvement***

- 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.



## Report No 2021/06 – Economic Recovery

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 opposite notes each separate objective for this review and records the results.

### 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;

Final Issued – May 2021

Overall grade: Good

The objective of this audit was to obtain reasonable assurance that:	
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



### ***Strengths (continued)***

- 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.



As part of the Internal Audit programme at Dundee and Angus College ('the College') for 2020/21 we carried out a follow-up review of the recommendations made in Internal Audit reports issued during 2019/20 and reports from earlier years that had either not already been subject to follow-up or where previous follow-up identified recommendations outstanding. These were:

- Internal Audit Report 2020/02 – Staff Recruitment & Retention
- Internal Audit Report 2020/03 – IT Network Arrangements / IT Strategy
- Internal Audit Report 2020/04 – Payroll and HR
- Internal Audit Report 2020/05 – Procurement and Creditors / Purchasing
- Internal Audit Report 2020/06 – Follow Up Reviews

Reports 2020/01 – Annual Plan, 2020/08 – Student Support Funds and 2020/09 – Annual Report did not contain an action plan and therefore no follow-up activity was required for these specific reports as part of this review. Report 2020/07 – 2019/20 Student Activity Data will be followed up separately as part of the equivalent 2020/21 Student Activity Data Report and will be considered at the November 2021 meeting of the Audit & Risk Committee.

Report 2020/06 contained two outstanding actions from 2017/18 and one outstanding action from 2018/19 and were required to be followed up as part of this review.

The objective of our follow-up review is to assess whether recommendations made in previous reports have been appropriately implemented and to ensure that, where little or no progress has been made towards implementation, that plans are in place to progress them.

The College has made excellent progress in implementing the recommendations followed-up as part of this review, with overall 13 (76%) of the 17 recommendations followed-up being assessed as 'fully implemented', with 2 categorised (12%) as 'partially implemented', and 2 (12%) categorised as 'no longer relevant'. The recommendations assessed as being no longer relevant are from report 2018/05 – Cash & Bank and relate to the Sports Centre. There is no longer any cash income received and payment is now taken by way of card or direct debit.

The 2 recommendations that have assessed as 'partially implemented' will be subject to further follow-up as part of the equivalent review in the 2021/22 programme of internal audits.



## Annual Internal Audit Report 2020/21

From Original Reports			From Follow-Up Work Performed				
Area	Rec. Priority	Number Agreed	Fully Implemented or No Longer Relevant	Partially Implemented	Little or No Progress Made	Not Past Agreed Completion Date	Considered But Not Implemented
Staff Recruitment & Retention	1	-	-	-	-	-	-
	2	1	1	-	-	-	-
	3	4	3	1	-	-	-
Total		5	4	1	-	-	-
IT Network Arrangements / IT Strategy	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	6	5	1	-	-	-
Total		6	5	1	-	-	-
Payroll and HR	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	1	1	-	-	-	-
Total		1	1	-	-	-	-
Procurement and Creditors / Purchasing	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	2	2	-	-	-	-
Total		2	2	-	-	-	-
Follow Up Reviews 2019/20	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	3	3	-	-	-	-
Total		3	3	-	-	-	-
Grand Totals		17	15	2	-	-	-



### 2021/08 – Student Activity Data (Credits) 2020/21

Final Issued – November 2021

In accordance with the Credits Audit Guidance, we reviewed and recorded the systems and procedures used by the College in compiling the returns and assessed and tested their adequacy. We carried out further detailed testing, as necessary, to enable us to conclude that the systems and procedures were working satisfactorily as described to us.

Detailed analytical review was carried out, including a comparison with last year's data, obtaining explanations for significant variations by Price Group.

Our testing was designed to cover the major requirements for recording and reporting fundable activity identified at Annex C to Credits Audit Guidance and the key areas of risk identified in Annex D.

Our report was submitted to the SFC on 25 October 2021. We reported that, in our opinion:

- the student data returns have been compiled in accordance with all relevant guidance;
- adequate procedures are in place to ensure the accurate collection and recording of the data; and
- on the basis of our testing we can provide reasonable assurance that the FES return contains no material mis-statement.

Two recommendations were made in our report including that the College should ensure that: Credits claimed for students are based upon the value of the units listed on the student course record, which reflect the activity delivered in the year, and not based upon a default tariff.; and evidence of progression and participation / engagement is retained to evidence eligibility of the Credits claimed for distance / work-based learning students. Where curriculum staff identify that no evidence is available, or that students are no longer engaging, this should be notified to the Student Records team to ensure that the Credits are removed from the Credits claim.



### 2021/09 – Student Support Funds 2020/21

Final Issued – November 2021

We carried out an audit on the following fund statements for the 2020/21 academic year: Higher Education Discretionary Fund; Further Education Discretionary Fund, Further and Higher Education Childcare Fund and Bursary Return; and Education Maintenance Allowance (EMA) Return.

The audit objectives were to ensure that:

- the College complies with the terms, conditions and guidance notes issued by SFC, the Student Awards Agency for Scotland and the Scottish Government;
- payments to students are genuine claims for hardship, bursary or EMA, and have been processed and awarded in accordance with College procedures; and
- the information disclosed in each of the returns for the year ending 31 July 2021 is in agreement with underlying records.

We were able to certify the FE Discretionary Fund, FE and HE Childcare Fund and Bursary Return and the Higher Education Discretionary and Childcare Fund for the year and submit these to the SFC and SAAS respectively without reservation.

In our covering letter to SAAS enclosing the audited HE Discretionary and Childcare Return we noted two observations arising from our audit work:

- The College does not operate a separate interest bearing bank account for the HE Discretionary Fund and all transactions are through the College's main bank account. The College uses the Government banking service for all of its financial transactions, on instruction from the Scottish Funding Council, and this account does not pay interest; and
- The 'Funding carried over from previous academic year 2019/20' of £1,332.27 at row a of the 2020/21 return differs from the amount carried forward of £712.74 on last year's audited return. The difference of £619.53 relates to the return of loans made in 2019/20, which were paid back into the fund for utilisation in 2020/21.



## Time Spent - Actual v budget in 2020/21

	Report number	Planned days	Actual days feed	Days to fee at Nov 2021	Days to spend / WIP	Variance
<b>Reputation</b>						
<i>Health, Safety and Wellbeing</i>	2021/02	5	5	-	-	-
<b>Financial Issues</b>						
<i>Budgetary Control</i>	2021/05	3	3	-	-	-
<i>National Fraud Initiative</i>	2021/04	2	2	-	-	-
<b>Commercial Issues</b>						
<i>Economic Recovery</i>	2021/06	5	-	5	-	-
<b>Information and IT</b>						
<i>Systems Development / Implementation</i>	2021/03	4	4	-	-	-
<b>Other Audit Activities</b>						
Credits audit	2021/08	8	-	8	-	-
Bursary, Childcare and Hardship Funds Audit	2021/09	6	-	6	-	-
EMA Audit		2	-	2	-	-
Management and Planning )		3	2	1	-	-
External audit / SFC )						
Attendance at Audit & Risk Committee )						
Follow-up reviews	2021/07	2	-	2	-	-
<b>Total</b>		<b>40</b>	<b>16</b>	<b>24</b>	<b>-</b>	<b>-</b>



## Operational Plan for Dundee and Angus College for 2021/22

- 5.1 Work to progress the development of an Audit Needs Assessment and a three year Strategic Internal Audit Plan for financial years 2021/22 to 2023/24 has been undertaken with the Senior Leadership Team. The topics discussed will be incorporated into a draft ANA and Strategic Internal Audit Plan. A separate draft Annual Plan for 2021/22, containing scopes for individual assignments, will also be developed.
- 5.2 It has been agreed with management that two reviews will be conducted prior to the 2021 Winter break, on Cyber resilience and Student invoicing and debt management. These will be incorporated into year 1 of the Strategic Internal Audit Plan and into the Annual Internal audit Plan for 2021/22.

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## Audit and Risk Committee

7 December 2021

### Dundee and Angus College

### Audit of 2020/21 annual report and financial statements

#### Independent auditor's report

1. Our audit work on the 2020/21 annual report and financial statements is now substantially complete. Subject to the receipt of a revised set of annual report and financial statements for final review, we anticipate being able to issue unqualified audit opinions in the independent auditor's report on 14 December 2021 (the proposed report is attached at [appendix A](#)).

#### Annual audit report

2. Under International Standards on Auditing in the UK we report specific matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action. We present for the Audit and Risk Committee's consideration our draft annual audit report on the 2020/21 audit. The section headed "Significant findings from the audit in accordance with ISA 260" (exhibit 2) sets out the issues identified in respect of the annual report and financial statements.

3. The report also sets out conclusions from our consideration of the four audit dimensions that frame the wider scope of public audit as set out in the Code of Audit Practice.

4. This report will be issued in final form after the annual report and financial statements have been certified.

#### Unadjusted misstatements

5. We also report to those charged with governance all unadjusted misstatements identified during our audit, other than those of a trivial nature, and request that these misstatements be corrected.

6. We have no unadjusted misstatements to be corrected.

#### Fraud, subsequent events and compliance with laws and regulations

7. In presenting this report to the Audit and Risk Committee we seek confirmation that we have been informed of:

- instances of any actual, suspected, or alleged fraud.
- events that have occurred since 31 July 2021 which could have a significant impact on the financial statements.

- instances of non-compliance with legislation.

### **Representations from management**

**8.** As part of the completion of our audit we seek written assurances from the Principal on aspects of the financial statements and judgements and estimates made.

**9.** A draft letter of representation is attached at [appendix B](#). This should be reproduced on headed paper, signed, and returned by the Principal on behalf of the Board of Management with the signed annual report and financial statements prior to the independent auditor's opinion being certified.

### **Concluding remarks**

**10.** We would like to express our thanks to the staff of Dundee and Angus College for their courteous assistance during this year's audit under difficult circumstances. This enabled us to bring the audit to completion with minimum delay.



Andrew Kerr CA  
Senior Audit Manager  
Audit Scotland  
4th Floor, The Athenaeum Building  
Nelson Mandela Place  
Glasgow, G2 1BT

## **Appendix A: Proposed Independent Auditor's Report**

### **Independent auditor's report to the Board of Management of Dundee and Angus College, the Auditor General for Scotland and the Scottish Parliament**

#### **Reporting on the audit of the financial statements**

##### **Opinion on financial statements**

I have audited the financial statements in the annual report and accounts of Dundee and Angus College and its group for the year ended 31 July 2021 under the Further and Higher Education (Scotland) Act 1992 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Consolidated and College Statement of Comprehensive Income, Consolidated and College Statement of Changes in Reserves, Consolidated and College Statement of Financial Position, Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council of the state of the affairs of the college and its group as at 31 July 2021 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 14 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

##### **Basis for opinion**

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Auditor General on 7 June 2021. This is my first year of appointment. I am independent of the college and its group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the college. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.



## **Conclusions relating to going concern basis of accounting**

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the college's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

## **Risks of material misstatement**

I report in a separate Annual Audit Report, available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that I identified and my judgements thereon.

## **Responsibilities of the Board of Management for the financial statements**

As explained more fully in the Statement of the Board of Management's Responsibilities, the Board of Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Board of Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Management is responsible for assessing the college's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

## **Auditor's responsibilities for the audit of the financial statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- obtaining an understanding of the applicable legal and regulatory framework and how the college is complying with that framework;
- identifying which laws and regulations are significant in the context of the college;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the college's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

## **Reporting on regularity of expenditure and income**

### **Opinion on regularity**

In my opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

### **Responsibilities for regularity**

The Board of Management is responsible for ensuring the regularity of expenditure and income. In addition to my responsibilities to detect material misstatements in the financial statements in respect of irregularities, I am responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

## **Reporting on other requirements**

### **Opinion prescribed by the Auditor General for Scotland on audited part of the Remuneration and Staff Report**

I have audited the parts of the Remuneration and Staff Report described as audited. In my opinion, the audited part of the Remuneration and Staff Report has been properly prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council.

### **Statutory other information**

The Board of Management is responsible for the statutory other information in the annual report and accounts. The statutory other information comprises the Performance Report and the Accountability Report excluding the audited part of the Remuneration and Staff Report.

My responsibility is to read all the statutory other information and, in doing so, consider whether the statutory other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this statutory other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the statutory other information and I do not express any form of assurance conclusion thereon except on the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

### **Opinions prescribed by the Auditor General for Scotland on Performance Report and Governance Statement**

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council.

### **Matters on which I am required to report by exception**

I am required by the Auditor General for Scotland to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration and Staff Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

### **Conclusions on wider scope responsibilities**

In addition to my responsibilities for the annual report and accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in my Annual Audit Report.

### **Use of my report**

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Andrew Kerr CA  
Senior Audit Manager  
Audit Scotland  
4th Floor South Suite  
The Athenaeum Building  
8 Nelson Mandela Place  
Glasgow  
G2 1BT

14 December 2021

Andrew Kerr is eligible to act as an auditor in terms of section 21 of the Public Finance and Accountability (Scotland) Act 2000.

## **Appendix B: Letter of Representation (ISA 580)**

Andrew Kerr, Senior Audit Manager  
Audit Scotland  
8 Nelson Mandela Place  
Glasgow  
G2 1BT

Dear Andrew

### **Dundee and Angus College Annual report and financial statements 2020/21**

**1.** This representation letter is provided in connection with your audit of the annual report and financial statements of Dundee and Angus College and its group for the year ended 31 July 2021 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the financial reporting framework, and for expressing other opinions on the regularity of income and expenditure, remuneration and staff report, performance report and governance statement.

**2.** I confirm to the best of my knowledge and belief, and having made such enquiries as I considered necessary, the following representations given to you in connection with your audit of Dundee and Angus College and its group annual report and financial statements for the year ended 31 July 2021.

#### **General**

**3.** I have fulfilled my responsibilities for the preparation of the 2020/21 annual report and financial statements. All the accounting records, documentation, and other matters which I am aware are relevant to the preparation of the annual report and financial statements have been made available to you for the purposes of your audit. All transactions undertaken by Dundee and Angus College and its group have been recorded in the accounting records and are properly reflected in the financial statements.

**4.** The information given in the Report to the financial statements, including the Performance Report, Governance Statement and Remuneration and Staff Report, presents a balanced picture of Dundee and Angus College and its group and is consistent with the financial statements

**5.** I confirm that the effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. I am not aware of any uncorrected misstatements other than those reported by you.

#### **Regularity of Expenditure and Income**

**6.** I confirm that, in all material respects, expenditure was incurred, and income applied in accordance with applicable enactments and guidance issued by the Scottish Ministers.

#### **Financial Reporting Framework**

**7.** The financial statements have been prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council including all relevant presentation and disclosure requirements, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 14 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

**8.** Disclosure has been made in the financial statements of all matters necessary for them to show a true and fair view of the transactions and state of affairs of Dundee and Angus College and its group for the year ended 31 July 2021.

## **Accounting Policies & Estimates**

**9.** All material accounting policies adopted are as shown in the Statement of Accounting Policies included in the financial statements. The continuing appropriateness of these policies has been reviewed since the introduction of IAS 8 and on a regular basis thereafter and takes account of the requirements set out in the Statement of Recommended Practice on Accounting for Further and Higher Education. All accounting policies applied are appropriate to Dundee and Angus College and its group's circumstances and have been consistently applied.

**10.** The significant assumptions used in making accounting estimates are reasonable and properly reflected in the financial statements. There are no changes in estimation techniques which should be disclosed due to their having a material impact on the accounting disclosures.

## **Going Concern Basis of Accounting**

**11.** The Board of Management has assessed the college's ability to carry on as a going concern and concluded that it is appropriate to prepare the financial statements on a going concern basis.

## **Carrying value of assets and liabilities**

**12.** The assets and liabilities have been recognised, measured, presented, and disclosed in accordance with the Statement of Recommended Practice on Accounting for Further and Higher Education. There are no plans or intentions that are likely to affect the carrying value of classification of the assets and liabilities within the financial statements.

## **Assets**

**13.** The assets shown in the statement of financial position at 31 July 2021 were owned by Dundee and Angus College and its group, other than assets which have been purchased under operating leases. Assets are free from any lien, encumbrance, or charge except as disclosed in the financial statements.

**14.** There are no known errors in the valuations of non-current assets in the statement of financial position.

## **Liabilities**

**15.** All liabilities have been provided for in the books of account, including the liabilities for all purchases to which title has passed prior to 31 July 2021.

**16.** The accrual recognised in the financial statements for holiday untaken by 31 July 2021 has been estimated on a reasonable basis. The accrual included in the financial statements excludes any flexi time balance due at the year-end as this is not considered material.

**17.** The disclosure of the college's bank term loan in the statement of financial position within note 15 is appropriate as I have no reason to believe that the lender will require settlement of the loan.

**18.** There are no significant contingent assets or liabilities, other than those disclosed in note 21 to the financial statements. All known contingent liabilities have been fully and properly disclosed.

## **Fraud**

**19.** I have considered the risk that the financial statements may be materially misstated because of fraud. I have disclosed to the auditor any allegations of fraud or suspected fraud affecting the financial statements. There have been no irregularities involving management or employees who have a significant role in internal control or that could have a material effect on the financial statements.

## **Laws and Regulations**

**20.** I have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

## **Related Party Transactions**

**21.** All transactions with related parties have been disclosed in the financial statements. I have made available to you all the relevant information concerning such transactions, and I am not aware of any other matters that require disclosure to comply with the requirements of IAS 24, as interpreted by the Statement of Recommended Practice on Accounting for Further and Higher Education.

## **Remuneration and Staff Report**

**22.** The Remuneration and Staff Report has been prepared in accordance with the requirements of the FReM to the extent they apply in Scotland and all required information of which I am aware has been provided to you.

## **Performance report**

**23.** I confirm that the Performance Report has been prepared in accordance with the requirements of the FReM to the extent they apply in Scotland and the information is consistent with the financial statements.

## **Corporate Governance**

**24.** I acknowledge as Principal on behalf of the Board of Management my responsibility for the corporate governance arrangements. I confirm that I have disclosed to the auditor all deficiencies in internal control of which I am aware.

**25.** The corporate governance arrangements have been reviewed and the disclosures I have made are in accordance with the Statement of Recommended Practice on Accounting for Further and Higher Education. There have been no changes in the corporate governance arrangements or issues identified, since 31 July 2021, which require disclosure.

## **Group Accounts**

**26.** The results of Gardyne Theatre Limited have been accurately consolidated within the group financial statements.

## **Events Subsequent to the date of the consolidated and college Statement of Financial Position**

**27.** There have been no material events since 31 July 2021 which necessitate revision of the figures in the financial statements or notes thereto.

**28.** Since 31 July 2021, no events or transactions have occurred which, though properly excluded from the financial statements, are of such importance that they should be brought to your notice other than those already advised.

### **Other matters**

**29.** I have reviewed the assumptions made by the actuary in the IAS 19 report for Dundee and Angus College and I confirm that they are consistent with management's own view.

Yours sincerely

Simon Hewitt  
Principal



# Dundee and Angus College

## Proposed 2020/21 Annual Audit Report



 **AUDIT SCOTLAND**

Prepared for Dundee and Angus College and the Auditor General for Scotland

December 2021

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# Key messages

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## 2020/21 annual report and financial statements

- 1 Our audit opinions on the annual report and financial statements are unmodified.
- 2 Expenditure and income in the financial statements were incurred or applied in accordance with legislation and guidance issued by Scottish Ministers.
- 3 The audited part of the performance report, annual governance statement and the remuneration and staff report were all consistent with the financial statements and properly prepared in accordance with applicable legislation and directions made by the Scottish Funding Council.

## Financial management

- 4 The college demonstrates sound financial management and has a well-established budget monitoring and reporting process in place.
- 5 Additional in year funding received by the college to support it through the pandemic resulted in a significantly improved 2020/21 budget outturn position.
- 6 The college reported an operating deficit of £2.172 million and an underlying operating surplus of £2.168 million for the year to 31 July 2021.

## Financial sustainability

- 7 Work is ongoing to revise the college's medium-term financial strategy.
- 8 The college's three-year Financial Forecast Return shows the cash position reducing from £5.853 million as at 31 July 2021 to £3.053 million by 31 July 2024, reflecting the ongoing financial pressures on the sector.
- 9 The college has budgeted for a cash-backed surplus of £0.215 million for 2021/22.
- 10 The college is playing an active role in the Tayside region's economic and social recovery from the pandemic.
- 11 The college is progressing its revised Estates Strategy, with lessons learned from delivering education during the pandemic being factored into this.

## Governance and transparency

- 12** Effective governance and decision-making arrangements were in place during 2020/21.
- 13** The college conducts its business in an open and transparent manner.

## Value for money

- 14** The college has proper arrangements in place to promote and secure value for money.
- 15** The college's five-year strategic plan was reviewed in 2020/21 to ensure it remained relevant in respect of the post pandemic needs for economic and social recovery. Whilst progress on various projects and initiatives towards achievement of the strategy are presented to the Board and Committees, there is no specific and separate annual reporting to the Board on performance against targets for all the metrics in the Strategy.
- 16** The college continues to report strong performance against the National Measurement Framework, including satisfaction results above the national average, although the pandemic has impacted on some of these indicators.
- 17** The college has played a key role in supporting students and staff through the pandemic.

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# Introduction

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1. This report summarises the findings from our 2020/21 audit of Dundee and Angus College (the college) and its group.
2. The scope of our audit was set out in our annual audit plan presented to the May 2021 meeting of the Audit and Risk Committee. This report comprises the findings from:
  - the audit of the annual report and financial statements
  - consideration of the four audit dimensions that frame the wider scope of public audit set out in the [Code of Audit Practice 2016](#).

## Responsibilities and reporting

3. Dundee and Angus College is responsible for preparing its annual report and financial statements in accordance with the accounts direction issued by the Scottish Funding Council (SFC) and for establishing effective arrangements for governance, propriety and regularity that enable it to successfully deliver its objectives.
4. Our responsibilities as independent auditor are established by the Public Finance and Accountability (Scotland) Act 2000 and the [Code of Audit Practice 2016](#) and supplementary guidance and International Standards on Auditing in the UK. We undertake our audit in accordance with International Standards on Auditing, and the auditing profession's ethical guidance.
5. At the conclusion of our audit, we provide an independent auditor's report for inclusion in the annual report and financial statements. We also review and provide conclusions on the effectiveness of the college's performance management arrangements, suitability and effectiveness of corporate governance arrangements, financial position, and arrangements for securing financial sustainability and value for money.
6. This report raises matters from our audit. Weaknesses or risks identified are only those which have come to our attention during our normal audit work and may not be all that exist. Communicating these does not absolve management from its responsibility to address the issues we raise and to maintain adequate systems of control.
7. Our annual audit report contains an agreed action plan at [appendix 1](#) setting out specific recommendations, responsible officers, and dates for implementation. It also includes any outstanding actions from last year and progress against these. Members of the Audit and Risk Committee should ensure that they are satisfied with proposed action and have a mechanism in place to assess progress and monitor outcomes.

## Adding value through the audit

**8.** In addition to our primary responsibility of reporting on the annual report and financial statements we seek to add value to the college by identifying areas for improvement and by recommending and encouraging good practice. In so doing, we aim to help the organisation promote improved standards of governance, better management and decision making, and more effective use of resources.

## Auditor Independence

**9.** Auditors appointed by the Accounts Commission or Auditor General must comply with the Code of Audit Practice and relevant supporting guidance. When auditing the financial statements auditors must comply with professional standards issued by the Financial Reporting Council and those of the professional accountancy bodies.

**10.** We can confirm that we comply with the Financial Reporting Council's Ethical Standard. We can also confirm that we have not undertaken any non-audit related services and therefore the 2020/21 audit fee of £24,990, as set out in our annual audit plan, remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

**11.** This report is addressed to both the Board of Management and the Auditor General for Scotland and will be published on Audit Scotland's website [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk).

**12.** We would like to thank the management and staff who have been involved in our work for their cooperation and assistance during the audit.

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# 1. Audit of 2020/21 annual report and financial statements

The principal means of accounting for the stewardship of resources and performance

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## Main judgements

Our audit opinions on the annual report and financial statements are unmodified.

Expenditure and income in the financial statements were incurred or applied in accordance with legislation and guidance issued by Scottish Ministers.

The audited part of the performance report, annual governance statement and the remuneration and staff report were all consistent with the financial statements and properly prepared in accordance with applicable legislation and directions made by the Scottish Funding Council.

Despite the ongoing impact of Covid-19, the audited annual report and financial statements were signed off by the 31 December 2021 deadline.

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## Our audit opinions on the annual report and financial statements are unmodified

**13.** The annual report and financial statements for the year ended 31 July 2021 are to be approved by the Board of Management on 14 December 2021. As reported in our independent auditor's report:

- the financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework,
- expenditure and income were incurred or applied in accordance with legislation and guidance issued by Scottish Ministers, and
- the audited part of the performance report, annual governance statement and the remuneration and staff report were all consistent with the financial statements and properly prepared in accordance with the relevant legislation and directions made by the Scottish Funding Council.

**14.** We are satisfied that there are no matters upon which we are required by the Auditor General to report by exception.

## Despite the ongoing impact of Covid-19, the audited annual report and financial statements were signed off by the 31 December 2021 deadline

**15.** We received the unaudited annual report and financial statements on 13 October 2021. This was slightly later than the agreed timetable, with competing work pressures and the pandemic responsible for this delay. The annual report and financial statements submitted for audit were of a satisfactory standard as were the supporting working papers. Finance staff provided good support to the audit team which helped ensure the final accounts audit process ran smoothly.

**16.** This has allowed us to sign off the annual report and financial statements by the 31 December 2021 deadline.

## Our audit testing reflected the calculated materiality levels

**17.** Materiality can be defined as the maximum amount by which auditors believe the annual report and financial statements could be misstated and still not be expected to affect the perceptions and decisions of users of the annual report and financial statements. The assessment of what is material is a matter of professional judgement. A misstatement or omission, which would not normally be regarded as material by value, may be important for other reasons (for example, an item contrary to law).

**18.** Our initial assessment of materiality for the annual report and financial statements is undertaken during the planning phase of the audit. On receipt of the unaudited annual report and financial statements, and following completion of audit testing, we reviewed our original materiality calculations and concluded that they remained appropriate. Our materiality levels are set out at [exhibit 1](#).

### Exhibit 1

#### Materiality levels

Materiality level	Amount
<b>Overall materiality-</b> This is the figure we use in assessing the overall impact of potential adjustments on the financial statements. It has been set at 1.5% of gross expenditure for the year ended 31 July 2021.	£0.730 million
<b>Performance materiality-</b> 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 calculated performance materiality at 65% of planning materiality.	£0.475 million
<b>Reporting threshold-</b> We are required to report to those charged with governance on all unadjusted misstatements more than the 'reporting threshold' amount. This has been set at 5% of planning materiality.	£0.035 million



## **Our audit identified and addressed the significant risks of material misstatement**

**19.** The concept of audit risk is of central importance to our audit approach. During the planning stage of our audit, we identified a number of key audit risks which could impact on the annual report and financial statements. We set out in our annual audit plan the audit work we proposed to undertake to secure appropriate levels of assurance. [Appendix 2](#) sets out the significant audit risks identified and how we addressed each risk in arriving at our opinion on the annual report and financial statements.

## **There were no misstatements identified from our audit of the financial statements**

**20.** There were no misstatements identified from our audit of the financial statements. In accordance with normal audit practice, a number of presentational and disclosure amendments were discussed and agreed with management.


## **We have a significant finding to report on the annual report and financial statements**

**21.** International Standard on Auditing (UK) 260 requires us to communicate significant findings from the audit to “those charged with governance”. The qualitative aspects of the college’s accounting practices, accounting policies, accounting estimates and accounts disclosures are satisfactory and appropriate to the college.

**22.** The significant finding is summarised at [exhibit 2](#). Where a finding has resulted in a recommendation to management, a cross reference to the action plan in [appendix 1](#) has been included.

**Exhibit 2**

## Significant finding from the audit of financial statements

Issue	Resolution
<p><b>1. Fixed asset register – fully depreciated assets</b></p> <p>In 2019/20 we identified that there were a significant number of assets with a nil carrying value. Although some of these were disposed of during 2020/21, our review this year identified that there were 182 assets with a nil carrying value at 31 July 2021. These had a total initial cost of £5.492 million.</p> <p>Assets no longer in use should be removed from the asset register to ensure the cost and accumulated depreciation balances for Property, Plant and Equipment in the financial statements accurately reflect the operational assets of the organisation.</p>	<p>Management have indicated that a comprehensive review of the fixed asset register is being undertaken in 2021/22. This should include a review to identify fully depreciated assets. Appropriate adjustments should be made determined by whether these assets are continuing.</p> <p> <b>Recommendation 1</b> (<a href="#">appendix 1</a>, action plan)</p>

Source: Audit Scotland

**Other areas of audit interest from the annual report and financial statements**

Journal entries should not be prepared and authorised by the same individual

**23.** A key aspect of our audit work in response to the management override of control risk that we identified in our annual audit plan (see also [appendix 2](#)) is the testing of journal entries.

**24.** The college's financial ledger is the system for recording all transactions and preparing the financial statements. Journal entries are posted to manually update the college's financial ledger. To minimise the risk of error and fraud we would expect each journal entry to be prepared and authorised by different members of staff.

**25.** As part of our financial statements testing, it was identified that only at the most senior level within the Finance team, there is no requirement for a second staff member to review or authorise journals. We concluded that all the journals we tested were reasonable. However, despite it only being at the most senior level, the ability of staff to approve their own journals increases the risk that invalid, erroneous or fraudulent journals are posted to the financial ledger.

**26.** It is recommended that management review this approach. All staff, regardless of grade, should have their journals subject to review and authorisation by a second member of staff.



**Recommendation 2** ([appendix 1](#), action plan)

The college's funded pension liability decreased to £14.552 million as at 31 July 2021

**27.** This section is included for information as we consider that the large year-on-year movements in the funded and unfunded pension liabilities figures require explanation and comment. We are satisfied that the college's disclosure of its pension liabilities complies with required accounting practices.

**28.** Dundee and Angus College participates in two pension schemes for its staff: The Local Government Pension Scheme (LGPS) and the Scottish Teachers' Superannuation Scheme (STSS). Notes 16 and 17 to the financial statements provide the disclosures for these schemes in accordance with applicable guidance.

**29.** As required by Financial Reporting Standard 102 (FRS102) the college has recognised pension liabilities in the Statement of Financial Position in respect of its membership of Tayside Pension Fund which is a defined benefit LGPS.

**30.** The valuation of Tayside Pension Fund's assets and liabilities is assessed by professional actuaries (Barnett Waddingham) each year and is dependent on a range of external variables, including projected rates of return on assets, interest rates and mortality estimates.

**31.** We have reviewed the actuarial assumptions used for the valuation and are satisfied that they appear reasonable and in line with assumptions used by other public sector actuaries over the same period.

**32.** The funded pension liability in the Statement of Financial Position represents the difference between the college's liabilities (i.e., expected future payments to pensioners) and its share of the underlying value of the pension fund assets available to meet these costs. The unfunded pension liability in the Statement of Financial Position represents the additional future pension liability arising from staff who have taken early retirement.

**33.** As at 31 July 2021, the college's funded pension liability stood at £14.552 million, and the unfunded liability stood at £3.402 million. These balances compare to a funded pension liability of £22.509 million and an unfunded pension liability of £4.195 million at 31 July 2020. This is also reflected in the Consolidated Statement of Financial Position.

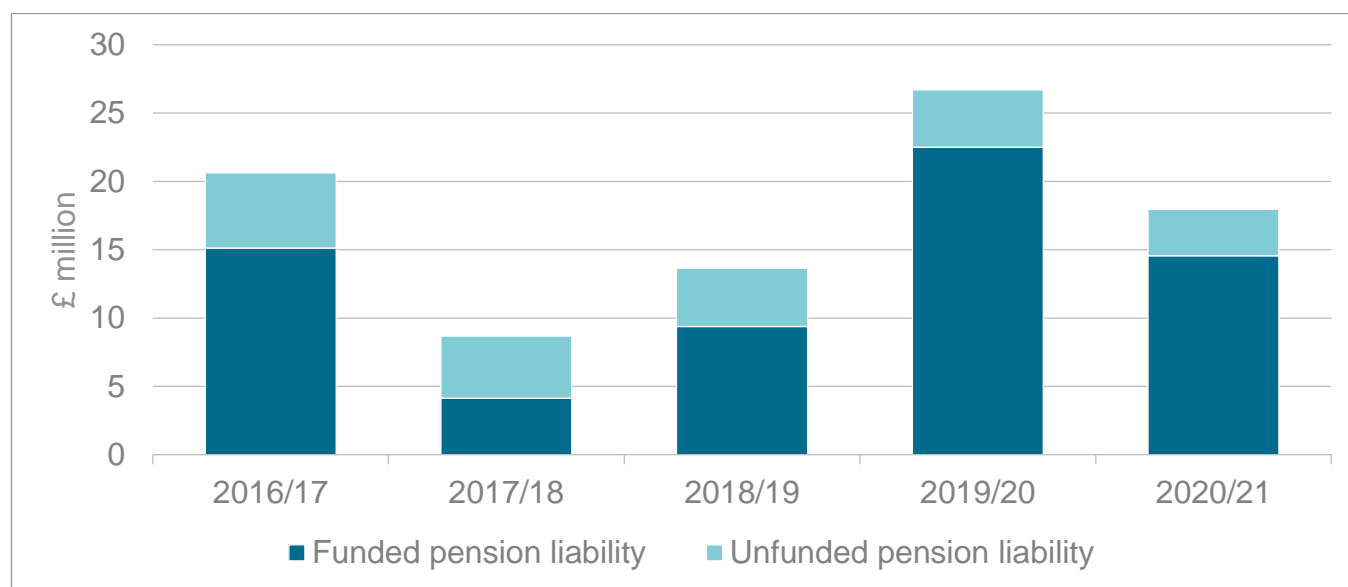
**34.** FRS102 requires liabilities to be valued using a discount rate assumption set with reference to yields on "high quality" corporate bonds. For this purpose, a high-quality corporate bond is taken to mean a bond that has been rated at the level of AA or equivalent. There was market instability towards the end of 2019/20 due to fears over the second wave of Covid-19 infections and the political uncertainty caused by the upcoming elections in the United States. This resulted in a significant increase in the funded pension liability in that year. For 2020/21 scheme asset performance in the market has been strong, with equities performing well amid the roll-out of Covid-19 vaccinations and an improving global economic outlook. This has resulted in a reduction in the funded pension liability for 2020/21.

**35.** [Exhibit 3](#) sets out the movement in the college's funded and unfunded pension liabilities over the last five years. Historically there has been considerable volatility year-on-year in the valuation of pension fund assets and

liabilities across the public sector. Slight changes in actuarial assumptions can have a significant impact on the calculation of the closing position and this is reflected in the movements in the college's funded pension liability over the last five years.

### Exhibit 3

#### Movement in funded and unfunded pension liability 2016/17 to 2020/21



Source: Dundee and Angus College annual report and financial statements 2016/17 – 2020/21

### The college's 2020/21 performance report provides a reasonable picture of its performance and operational activity for the year but there remains scope to improve the performance analysis section

**36.** HM Treasury Financial Reporting Manual (FReM) requires a performance report to be included in a body's annual report and financial statements. The purpose of a performance report is to provide information on the college, its main objectives and strategies, and the principal risks that it faces. The FReM specifies that it should provide "a fair, balanced and understandable" analysis of a body's performance to meet the needs of Parliamentarians and other stakeholders.

**37.** We concluded that the college's 2020/21 performance report is consistent with our knowledge and experience of the organisation. The impact of the pandemic, and the college's response to this, was well reflected in the report.

**38.** However, as we have reported in previous years, we believe the performance analysis section of the report could be enhanced. In particular, the Board and committee metrics disclosed in the report do not contain full details of actual performance levels against targets or trend analysis comparing the current year's performance with the prior year. Further comment on the college's performance is detailed in the [Value for Money](#) section of this report.

## The annual governance statement includes good disclosure on the ongoing impact of Covid-19 on the college's governance arrangements during 2020/21

**39.** The FReM requires inclusion of a governance statement in an annual report and financial statements. The Scottish Public Finance Manual (SPFM) sets out guidance on the content and minimum requirements of the statement but does not prescribe a format. The college's annual governance statement complies with SPFM guidance and presents a good explanation and assessment of its governance arrangements for the year under review.

**40.** Public bodies have had to quickly change how they deliver services in response to the ongoing Covid-19 outbreak and the related restrictions introduced. The widespread use of virtual working and the rapid introduction of new programmes and services create a range of potential financial risks and challenges to internal controls.

**41.** In its annual governance statement, the college has made good disclosure of the continued impact that Covid-19 has had on its governance arrangements and the steps it has taken in response to this. All Board and committee meetings continued to be held virtually during 2020/21, with updates on the college's response to the pandemic included as a standing item on meeting agendas. The college continues to maintain, and report to members, its Covid-19-specific risk register. This is used to help identify and mitigate any disruption caused by the pandemic.

**42.** Audit Scotland published its [Covid-19: Guide for audit and risk committees](#) in August 2020. The guide focused on the short-term challenges facing public bodies in the response phase of the pandemic. This report, along with the completed checklist, was considered by the college's Audit and Risk Committee in September 2020. We consider that this is further evidence that the college has taken appropriate steps to ensure good governance during the pandemic.

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### Good practice

The college was proactive in taking steps to ensure good governance arrangements were maintained throughout the Covid-19 pandemic.

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## The audited part of the remuneration and staff report was consistent with the financial statements and has been prepared in accordance with applicable guidance

**43.** The FReM requires the college to include a remuneration and staff report within its annual report and financial statements that includes details of:

- the college's remuneration policy,
- details of the remuneration of senior officers, including pension entitlements, for the financial year (and prior year comparator); and accrued pension benefits figures at 31 July of that year,

- the number and cost of exit packages approved during the financial year, and
- a median pay disclosure and a range of other information on staff costs, numbers, and related activity.

**44.** We have no issues to report in relation to the information included within the remuneration and staff report in the college's 2020/21 annual report and financial statements.

**Progress was made on prior year recommendations, despite the ongoing pandemic impacting on a number of these**

**45.** We followed up on actions agreed in our [2019/20 annual audit report](#), to assess what progress on implementation had been made. Details of the follow up are included in [appendix 1](#). Following our work in 2020/21, three recommendations remain open:

- Fixed asset register - fully depreciated assets - see [exhibit 2, issue 1](#)
- revised financial plans to reflect Covid-19 - see [paragraphs 70 - 75](#)
- five-year estate strategy - see [paragraphs 102 - 107](#).

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## 2. Financial management

Financial management is about financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.

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### Main judgements

The college demonstrates sound financial management and has a well-established budget monitoring and reporting process in place.

Additional in year funding received by the college to support it through the pandemic resulted in a significantly improved 2020/21 budget outturn position.

The college reported an operating deficit of £2.172 million and an underlying operating surplus of £2.168 million for the year to 31 July 2021.

High level systems of internal control operated effectively in 2020/21.

The college has in place appropriate arrangements for the prevention and detection of fraud and other irregularities.

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### **The college demonstrates sound financial management and has a well-established budget monitoring and reporting process in place**

**46.** The college monitors its budget position through the budget monitoring reports presented to each meeting of the Finance and Property Committee. The budget monitoring reports provide an overall picture of spend against budget and include a good level of detail in the narrative to explain the main budget variances.

**47.** From our review of budget monitoring reports, review of committee papers and attendance at committees, we confirmed that members and senior management receive regular, timely and up-to-date information on the college's financial position. This allows both members and senior management to carry out effective scrutiny of the college's finances.

**48.** The college demonstrates sound financial management and has a well-established budget monitoring and reporting process in place. Our view is supported by the work of internal audit who undertook a review into the college's budgetary control arrangements during 2020/21. This review provided a satisfactory level of assurance and identified several areas of strength, with only two lower-level recommendations reported.



## **Additional in year funding received by the college to support it through the pandemic resulted in a significantly improved 2020/21 budget outturn position**

**49.** The draft 2020/21 budget was presented to the Finance and Property Committee in September 2020. This projected a cash-backed surplus of £0.020 million for the year to 31 July 2021, based on total income of £44.202 million and total expenditure of £44.182 million (including £32.674 million for total pay costs).

**50.** While the college was able to set a balanced budget for 2020/21, the projected cash-backed surplus of £0.020 million for the year was a significant reduction on the underlying operating surpluses achieved in prior years of £2.249 million for 2018/19, and £1.104 million for 2019/20. This reflected the additional costs to the college relating to the Covid-19 pandemic and the continuing impact on its income streams.

**51.** At the time of setting this budget, no one could predict the lasting impact of the pandemic, with some restrictions still in place well into 2021/22, or the extent of additional funding received in response to it. It is clear both have had an impact on the college's 2020/21 budget, with this reflected in the budget movement across the year.

**52.** The Scottish Government provided the sector with £70 million additional revenue funding in 2020/21. This included money to support students and boost skills through training in response to the economic impact of Covid-19.

**53.** At the Finance and Property Committee in September 2021, members received a report entitled "2020/21 draft outturn". This indicated a likely cash-backed surplus for the year of £1.991 million. This was a substantial improvement on the budgeted outturn reported in September 2020. Given the timing of when the pandemic hit and the subsequent introduction of suppression measures, the full financial impact of Covid-19 was expected during 2020/21. The financial position of the college was stabilised through effective financial management together with the receipt of non-recurring additional funding by the Scottish Funding Council (SFC) and the HMRC's Coronavirus Job Retention Scheme.

**54.** The achievement of the improved cash-backed surplus for the year was attributable to a range of factors with notable movements being:

- the use of the Coronavirus Job Retention Scheme in respect of furloughed employees resulting in £1.163 million being received from HMRC.
- additional in year SFC sustainability funding of £0.898 million.
- a maximum additional 1,862 credits allocated in year with 1,521 delivered resulting in income of £0.441 million being received in 2020/21.
- SFC provided £0.152 million to support the provision of ICT equipment to students to help tackle digital poverty.



**55.** The changes in the budget position were reported in the budget monitoring reports presented to the Finance and Property Committee throughout the year. These reports contained a good level of detail on the forecast outturn position, as well as details on the costs of Covid-19 and the funding received in support of this.

### **The college reported an operating deficit of £2.172 million and an underlying operating surplus of £2.168 million for the year to 31 July 2021**

**56.** The college reported an operating deficit for the year to 31 July 2021 of £2.172 million (£3.777 million in 2019/20) in the Statement of Comprehensive Income (SOI).

**57.** The position reported in the SOI includes the impact of non-cash charges such as depreciation and pension adjustments, and capital grants recognised as income. It also excludes other commitments funded from revenue including the allocation of revenue funding for loan repayments. To enable an assessment of the underlying financial strength of an institution, and allow comparison across institutions, the Scottish Funding Council requires colleges to also report the underlying operating position for the year by adjusting for these items and any one-off exceptional items impacting on the annual position reported in the SOI.

**58.** The underlying operating position of the college reported within the performance report shows an underlying operating surplus of £2.168 million for the year to 31 July 2021 (£1.104 million in 2019/20).

### **High level systems of internal control operated effectively in 2020/21**

**59.** As part of our 2020/21 audit, we tested key controls operating over the main accounting systems. Our objective was to gain assurance that systems for processing and recording transactions provide a sound basis for the preparation of the financial statements.

**60.** We did not identify any significant control weaknesses from this work.

### **Internal audit reported that the college had adequate and effective risk management, control, and governance arrangements in place during 2020/21**

**61.** The college's internal audit function is carried out by Henderson Loggie. The internal audit service, in any organisation, is an important element of internal control. It provides members and management with independent assurance on risk management, internal control and corporate governance processes as well as providing a deterrent effect to potential fraud.

**62.** 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 2020/21 audit we carried out an assessment of the internal audit function. This confirmed that the internal auditors have adequate documentation standards and reporting

procedures in place and comply with the requirements of the Public Sector Internal Audit Standards (PSIAS).

**63.** During 2020/21 we placed reliance on aspects of internal audit's work as part of our wider dimension work. This included the reviews of the college's:

- budgetary control ([paragraph 48](#))
- National Fraud Initiative arrangements ([paragraph 68](#))
- economic recovery ([paragraph 86](#)).

**64.** We also considered internal audit's annual report as part of our review of the annual governance statement included within the accountability report in the 2020/21 annual report and financial statements. This provided internal audit's opinion that the college had adequate and effective arrangements for risk management, control, and governance in place during 2020/21.

### **The college has in place appropriate arrangements for the prevention and detection of fraud and other irregularities**

**65.** The Board is responsible for establishing arrangements for the prevention and detection of fraud, error and corruption and ensuring that its affairs are managed in accordance with proper standards of conduct.

**66.** The college has in place a range of established procedures for preventing and detecting fraud and irregularity. These include the college's:

- articles of governance and governance manual for members of the Board of Management (this includes details of the members' code of conduct and register of interests)
- gifts and hospitality policy
- fraud, bribery, and corruption policy.

**67.** The college also participates in the National Fraud Initiative (NFI), a counter-fraud exercise coordinated by Audit Scotland that uses computerised techniques to compare information about individuals held by different public bodies, and on different financial systems, to identify 'matches' that might suggest the existence of fraud or irregularity.

**68.** In 2020/21 internal audit undertook a review of the college's participation in the NFI focussing on the process followed for the 2020/21 NFI exercise. This review provided a good level of assurance, including comment on the effective arrangements in place for the Audit and Risk Committee to be kept informed of the outcome of the data matching process. This allows members to consider any associated risks around the prevention and detection of fraud.

**69.** We have concluded that adequate arrangements are in place for the prevention and detection of fraud and other irregularities. We are not aware of any specific issues that we need to bring to your attention.

## 3. Financial sustainability

Financial Sustainability looks forward to the medium and long term to consider whether a body is planning effectively to continue to deliver its services.

### Main judgements

Work is ongoing to revise the college's medium-term financial strategy.

The college's three-year Financial Forecast Return shows the cash position reducing from £5.853 million as at 31 July 2021 to £3.053 million by 31 July 2024, reflecting the ongoing financial pressures on the sector.

The college has budgeted for a cash-backed surplus of £0.215 million for 2021/22.

The college is playing an active role in the Tayside region's economic and social recovery from the pandemic.

The college is progressing its revised Estates Strategy, with lessons learned from delivering education during the pandemic being factored into this.

Progress on the Kingsway campus redevelopment has been made, but structural issues, the pandemic and industry pressures have resulted in increased project costs and delays.

### Work is ongoing to revise the college's medium-term financial strategy

**70.** The college's five-year financial strategy covering 2019/20 to 2023/24 was approved by the Board in March 2019. This was developed prior to the pandemic.

**71.** In its [Scotland's colleges 2020](#) blog Audit Scotland recognised that even before the pandemic colleges were facing financial pressures. It noted that in addition to ongoing financial sustainability issues, there are going to be a range of new challenges facing colleges, including decisions on what level of estate to maintain to deliver future learning.

**72.** Medium and longer-term financial plans will need to be revised by all colleges to consider additional financial pressures and updated funding arrangements arising from the pandemic, as well as updated savings requirements and financial assumptions.

**73.** Covid-19 has significant implications for the finances and operation of Scotland's colleges, which are likely to continue for years to come. Planning for

the medium-term is difficult, but necessary, to manage the levels of uncertainty and volatility facing colleges' budgets.

**74.** At the meeting of the Finance and Property Committee in September 2021, management informed members on the planned approach to updating the college's financial strategy during 2021/22, with a proposal to present a draft of this to the March 2022 committee meeting.

**75.** Following on from our 2019/20 recommendation, we welcome the ongoing work to revise the college's medium-term financial strategy. It is important this momentum is maintained to ensure the college has a robust financial strategy in place that supports its post pandemic recovery.



### Recommendation 3 ([appendix 1](#), action plan)

## **The college's three-year Financial Forecast Return shows the cash position reducing from £5.853 million as at 31 July 2021 to £3.053 million by 31 July 2024, reflecting the ongoing financial pressures on the sector**

**76.** The Financial Forecast Return (FFR) is an established part of the Scottish Funding Council's (SFC) financial health monitoring framework. The FFR allows the SFC to monitor and assess the medium-term financial planning and health of colleges.

**77.** On 23 June 2021, the college were advised of the format and the assumptions to be used for the 2020/21 FFR, with the deadline for submission to the SFC being 31 July 2021. The returns usually include financial projections for the current academic year and following three years. This return request covered a shorter period (to 2021/22), reflecting uncertainty over the longer-term impact of Covid-19. The SFC issued a further call for information on 26 August 2021 for a medium-term financial forecast return for the period 2020/21 to 2023/24. This was submitted by the college in line with the 15 October 2021 deadline.

**78.** It is recognised that the college has a strong cash position (£5.853 million) at 31 July 2021. However, there were several non-recurring factors that contributed positively to this (discussed further at [paragraph 54](#)) together with savings made because of Covid-19 related lockdowns.

**79.** The FFR submitted by the college to the SFC in October showed a projected underlying deficit for 2021/22 and 2022/23 with an underlying surplus for 2023/24. The underlying operating and closing cash positions for 2021/22 to 2023/24 is shown in [exhibit 4](#).

**80.** Due to the timing of when the FFR was required to be submitted to the SFC, members of the Finance and Property Committee met prior to the submission and the Board of Management retrospectively approved this at the December 2021 meeting. The accompanying paper explained the format and content of the return, including the assumptions used and the proposed actions to further mitigate the impact of the financial challenges facing the college. The paper also provided additional context for Board members on the national and local impact of Covid-19 on future financial projections.

**Exhibit 4**

FFR projected underlying operating and closing cash balance positions

Description	2021/22 £' million	2022/23 £' million	2023/24 £' million
Underlying operating surplus / (deficit)	(£0.687)	(£0.676)	£0.488
Closing cash position	£3.978	£2.934	£3.053

Source: Dundee and Angus College 2020/21 Financial Forecast Return

**The college has budgeted for a cash-backed surplus of £0.215 million for 2021/22**

**81.** The draft 2021/22 budget was presented to the Board of Management in June 2021. This projected a cash-backed surplus of £0.215 million for the year to 31 July 2022, based on total income of £43.742 million and total expenditure of £43.527 million (including £34.462 million for total pay costs). Where possible, the budget reflects the easing of Covid-19 restrictions. For example, given the increase in activity across the college, with staff and students returning to face-to-face learning in September 2021, non-pay costs are budgeted to increase by £0.654 million.

**82.** Estimating any further cost or funding associated with the ongoing Covid-19 disruption is complex and subject to revision as national funding decisions are made. For example, the budget includes increased supplementary SFC credit income of £1.9 million for the expansion of digital learning and mental health provision together with funds to support deferred students and for foundation apprenticeships. However, clarity on whether the funds could be withheld or recovered if targets are not achieved is still to be provided by the SFC.

**83.** The budget paper is supported by extensive narrative on key assumptions and included a risk assessment assessing the likelihood and impact of any potential adverse and / or favourable movements. The college has a strong budgetary review process, with budget monitoring reports subject to review and scrutiny by the Finance and Property Committee. Taken together, this should ensure the college can respond effectively to the challenging forecasting demands that will continue during 2021/22.

**The college is playing an active role in the Tayside region's economic and social recovery from the pandemic**

**84.** Though the pandemic has brought with it a range of new challenges, previous issues facing colleges remain. The priorities that demanded colleges' attention before the pandemic have become even more pressing, such as tackling inequalities in learning, improving outcomes for students and the need for robust long-term financial planning.

**85.** However, it is also recognised that there will be opportunities across the sector with these supporting Scotland's recovery from the pandemic. The

college has identified a range of projects that it feels will contribute to its own economic and social recovery and that of the wider Tayside region.

**86.** In 2020/21 internal audit undertook a review looking at the college's program of work to support its, and the Tayside region's, economic recovery from the pandemic. This review provided a good level of assurance, including positive comment on the college's engagement with partners across the region.

#### The college is the lead partner for several projects within the Tay Cities Deal

**87.** The Tay Cities Deal was developed after the Scottish Government's Enterprise and Skills Review was published in 2017. This allowed the deal to build on good practice from other city region deals. The £700 million deal is to be funded by both the Scottish and UK Governments with the partner councils, other public sector bodies, and private sources contributing additional funding. The deal was officially signed in December 2020.

**88.** A key element of the Tay Cities Deal is the Skills Investment Plan which focuses on the skills needs of people and businesses across the region. This was developed by Skills Development Scotland (SDS) alongside a range of partners including local authorities, colleges, and universities. The plan informs the delivery of a range of projects, which are supported by up to £20 million of Scottish Government funding towards skills and employability. These projects are intended to create up to 6,000 job opportunities across the tourism, food and drink, creative industries, eco innovation, digital, decommissioning, engineering, biomedical and health and care sectors.

**89.** The college is the lead partner in four Tay City Deal projects with a total value of around £9 million:

- Tay Cities Engineering Partnership - 5-year project with Angus Council, Perth College and Angus Training Group.
- Tay Cities Bio Tech - 10-year project with James Hutton Institute, University of Dundee, Perth UHI and Fife College.
- Tay Cities SMEs - 10-year project with Chamber of Commerce, Business Gateway, University of Dundee, Abertay University, Perth UHI, Fife College.
- Shared Apprenticeship - 10-year project with Angus Council.

**90.** Three of the above projects are part of the overall £20 million Skills Investment Plan with the standalone project being the Tay Cities Engineering Partnership.

**91.** The projects are at various stages. For example, the Outline Business Case (OBC) for the Tay Cities Engineering Partnership has been approved by the Scottish Government and is now progressing to the Final Business Case stage, with the aim that this is submitted for consideration by the end of December 2021.

**92.** The Bio Tech and SME Skills projects are part of the wider £20 million Skills Investment Plan and are dependent on the progress of the overall OBC for this fund being approved. There have been some delays in progressing this, with



any drawdown of funding now not likely to be made until 2022/23. However, once the overall bid is approved, the college has in place its project specific OBCs ready for submission.

**93.** The college will play an important role in the Tay Cities Region Deal by contributing to the objectives of the Skills Investment Plan to boost fair work, inclusive growth, and productivity across the region. In turn this will support the region's recovery from the pandemic.

**The college's participation in the Michelin Scotland Innovation Parc aims to provide students and businesses with the skills needed to support the green recovery from the pandemic**

**94.** The college is a key partner in the Michelin Scotland Innovation Parc (MSIP), a major development on the former Michelin factory site in Dundee. The Parc aims to create sustainable jobs across a variety of skillsets providing local and national opportunities both now and in the future. It will also incorporate a Skills Academy and Engineering School which will facilitate a range of training opportunities in partnership with Dundee and Angus College, Abertay University, and the University of Dundee. The college has been asked to be the lead partner in the Skills Academy. This will provide additional opportunities for the college to deliver teaching and training for local businesses in areas such as low carbon, green energy, hydrogen, battery storage, offshore wind, remote control systems, and advanced manufacturing.

**95.** Although impacted by Covid-19 restrictions, the area for the Skills Academy has been earmarked on the site and curriculum planning is well advanced, with this aligned to industry needs. The expectation is that the Skills Academy will launch in February 2022.

**96.** There has been clear strategic oversight of both the Tay Cities and MSIP projects, with regular updates provided to members of the Board of Management and the Finance and Property Committee. We will continue to monitor the progress of these projects, including the reporting to members, as part of our work in 2021/22.

**The college has invested to ensure opportunities arising from the region's pandemic recovery can be maximised**

**97.** During 2020/21 the college created and recruited to the new role of Economic Partnerships Manager. This role was established to help provide a link between the college and its partnership working with local businesses, with the aim of maximising the opportunities and funding arising from the pandemic. A key element of this work is the college's participation in the Flexible Workforce Development Fund (FWDF).

**98.** The FWDF provides an opportunity for colleges to engage with local businesses and work with them to support their economic recovery and growth. To assist with their training programmes, businesses can apply for financial support, up to £0.015 million as a levy payer or £0.005 million as an SME. The college's share of this fund was increased to £0.608 million in 2020/21 with an additional fund for SMEs of £0.157 million being allocated by the Scottish Funding Council (SFC) to support businesses to upskill and / or reskill following the pandemic. The college has secured a further £0.764 million from the SFC for 2021/22, mainly from 2020/21 funds that were unspent due to the delivery of

training to businesses being impacted because of the pandemic, to support the continued delivery of the programme.

**99.** The aims of the training are twofold. As well as closing skills gaps by reskilling and upskilling individuals in growing sectors such as digital, manufacturing, energy and renewables, the college is supporting the reskilling of individuals which will help create more employees for sectors struggling to find staff, such as care and hospitality.

**100.** The college's Michelin Skills Academy, launching in February 2022, will be used as the training base for the delivery of most of the training.

**101.** The successful contribution to, and delivery of, the above projects will be crucial in ensuring the college delivers on its priority outcomes as set out in its [Regional Outcome Agreement](#) with the SFC.

## Good practice

The college has been proactive in seeking opportunities to contribute to the economic and social recovery of the Tayside region.

### The college is progressing its revised Estates Strategy, with lessons learned from delivering education during the pandemic being factored into this

**102.** The college has in place a five-year estate strategy covering the period 2019/20 to 2023/24. The strategy sets out the college's estate ambitions which includes the redevelopment of the Kingsway campus and creation of a new STEM centre. This was developed prior to the pandemic. Our work in 2019/20 recommended that the college reviews its strategy to take account of the impact the pandemic has had on its future estate requirements.

**103.** Covid-19 changed the way learning was delivered, with teaching moved largely online and campuses closed. Students had to adapt to a new way of learning, with this remote learning presenting questions for colleges around the level of estate and equipment needed to deliver future learning.

**104.** In its [National Overview of Remote Learning in Scotland's Colleges](#) report published in June 2021, Education Scotland commented positively on the sector's response to remote learning, noting that "Scotland's colleges have responded well to the demands of moving their curriculum online and delivering learning and teaching remotely". At a local level, despite disruption to learning in 2020/21, the college has maintained a high level of overall student satisfaction. The national report did also acknowledge some challenges with remote learning. These include areas such as digital poverty and the wellbeing of both staff and students. These will be ongoing issues that require addressing by all colleges to ensure all learners are engaged when learning remotely. The college has taken steps to support both students and staff, with the college's good work in each of these areas noted in [paragraphs 148 - 162](#) of this report.

**105.** The college has established a "New Ways of Working" project. This aims to engage with staff and students to help establish what future work and study



arrangements will look like post pandemic, with the 2021/22 academic year being used as a pilot. The college is aware that any change to the traditional face-to-face model of teaching will have to ensure equalities for learners. The college adapted quickly to digital learning, and the continued use of digital technology for delivery of learning will be factored into the Estates Strategy. However, the wider social benefits of learning on campus cannot be underestimated and the college will look to maintain elements of face-to-face teaching on its courses. In this regard, the “New Ways of Working” project should help determine the needs of both learners and the college post pandemic.

**106.** In May 2021, the Finance and Property Committee was presented with an outline revised Estates Strategy covering 2021 to 2026. This will continue to be developed in 2021/22 with a draft of the Strategy due to be presented to the Committee during the first half of 2022.

**107.** We recognise the work the college has undertaken in response to our 2019/20 recommendation. Due to the impact of the pandemic, there remains an overarching risk for the whole college sector that future plans and investment in estate improvements may be affected by the increase in remote learning.



#### Recommendation 4 ([appendix 1](#), action plan)

### **Progress on the Kingsway campus redevelopment has been made, but structural issues, the pandemic and industry pressures have resulted in increased project costs and delays**

**108.** Following approval by the Finance and Property Committee, the Kingsway campus redevelopment plans were approved by the Board in May 2020. This development is being progressed over two phases. The original total cost was projected to be £5.400 million, with this being funded through both the Scottish Funding Council (SFC) capital backlog maintenance grant and a funding bid approved by the Dundee and Angus Foundation.

**109.** The work associated with phase 1 of the redevelopment commenced in June 2020. Refurbishments to the reception area, frontline services and social space were all completed in advance of the delayed college restart date in September 2020.

**110.** The creation of a Hair, Beauty and Complimentary Therapies facility in the vacated Digital and Learner Resources (library) annex was impacted by a defect in the library annex, and similar issues were also identified with the roof of the Lecture Theatre. As a result, this building had to be demolished. In both cases, professional fees such as architects, mechanical and electrical services, and structural and civil engineer services, as well as preliminary costs, had already been incurred to progress the initial development based on refurbishment of the existing buildings. Therefore, these sunk costs are included as part of the overall project funding.

**111.** The SFC provided additional funding (£0.979 million) to cover the cost of the demolition along with the design fees for the new build and advanced spending on Mechanical and Engineering. The work on the new build

commenced in June 2021. Management advised that the new build is progressing well, with a planned completion date of April 2022.

**112.** The demolition has contributed to the overall project costs increasing. The costs and timetable have also been impacted by the pandemic, Brexit and the ongoing haulage and material pressures that are impacting the construction industry. The projected costs associated with the redevelopment have increased from the original budget, [exhibit 5](#).

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## Exhibit 5

### Cost for Kingsway redevelopment

	Original budget	Revised budget
Cost	£5.400 million	£8.229 million

Source: Dundee and Angus College 2020/21 annual report and financial statements

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**113.** The college had secured funding to cover the revised project costs of £8.229 million, with the project funded from two sources, being £3.300 million secured from the Dundee and Angus Foundation and the remainder being funded from the SFC.

**114.** The delivery of the project in 2021/22, together with any ongoing Covid-19 and supplier impacts, will be subject to regular review and scrutiny by the Finance and Property Committee. We will continue to monitor the delivery of the Kingsway redevelopment as part of our 2021/22 audit.

## Due to the pandemic, plans for a new build STEM centre on the Kingsway campus have yet to be finalised

**115.** As part of the overall Estates Strategy for the Kingsway Campus the SFC provided funding to the college to develop an Outline Business Case for a new build Science, Technology, Engineering and Maths (STEM) centre on the Kingsway Campus, funded by the Scottish Government through a Mutual Investment Model (MIM).

**116.** Work on these proposals initially progressed well during the early part of 2019/20 but was impacted by the January 2020 cyber-attack and Covid-19, both of which required senior staff to reprioritise their workload. Due to the ongoing impact of the pandemic in 2020/21, work on the business case has yet to progress. The college have kept the SFC informed throughout the process, and management have advised they are looking to progress this proposal alongside the revision to the Estate Strategy as part of the college's pandemic recovery.

## 4. Governance and transparency

The effectiveness of scrutiny and oversight, and transparent reporting of information

### Main judgements

Effective governance and decision-making arrangements were in place during 2020/21.

The college conducts its business in an open and transparent manner.

Member recruitment and retention to the Board of Management will play an important role in progressing the college's strategic priorities post-pandemic.

### Effective governance and decision-making arrangements were in place during 2020/21

**117.** The Board is responsible for ensuring the overall governance of the college. It is responsible for ensuring the governance framework is operating as intended, together with the monitoring of the adequacy and effectiveness of these arrangements.

**118.** Our review of the governance and transparency arrangements of an organisation includes consideration of:

- Board and committee structure and conduct.
- Overall arrangements and standards of conduct including those for the prevention and detection of fraud, error, bribery, and corruption. This includes action in response to the National Fraud Initiative.
- Openness of Board and committees.
- Reporting of performance and whether this is fair, balanced, and understandable.

**119.** As noted at [paragraphs 41 and 42](#), the impact of Covid-19 on governance arrangements has been considered by the college with these disclosed in the annual governance statement in its annual report and financial statements.

**120.** We have concluded that our previous year's conclusion is still relevant, i.e., that "effective governance and decision-making arrangements were in place...and the college took effective action to adjust its governance arrangements to respond to the challenges presented by Covid-19".

## **The college conducts its business in an open and transparent manner**

**121.** There is an increasing focus on how public money is used and what is achieved. Transparency means that the public have access to understandable, relevant, and timely information about how the Board is taking decisions and how it is using resources such as money, people, and assets.

**122.** As we reported in 2019/20, there is evidence from several sources which demonstrate the college's commitment to openness and transparency:

- The agendas, papers and minutes of the Board of Management and other committees are published on the college's website on a timely basis.
- The college makes its annual report and financial statements available on its website. These include a performance report which adequately explains the college's financial performance for the year.
- The website also provides the public with access to a wide range of corporate information including details of the college's strategy, performance information, and equality and diversity reporting.

**123.** Overall, we remain of the view that the college conducts its business in an open and transparent manner.

## **Member recruitment and retention to the Board of Management will play an important role in progressing the college's strategic priorities post-pandemic**

**124.** In December 2020, the Board of Management approved the appointment for a four-year term of two new Board members. A further appointment was made in June 2021. The new members bring a range of experience, including from the Third Sector. The new members received inductions that included details on the role of the Board, the college's funding arrangements and introductory meetings with the Board Chair and Board Secretary.

**125.** During 2020/21, four Board members were also reappointed for a four-year term. Retaining experienced Board members with recent knowledge of the risks and opportunities facing the college will be important as it looks to progress its strategic priorities, including its [2025 Strategy – More Successful Students](#), post-pandemic.

# 5. Value for money

Using resources effectively and continually improving services

## Main judgements

The college has proper arrangements in place to promote and secure value for money.

The college's five-year strategic plan was reviewed in 2020/21 to ensure it remained relevant in respect of the post pandemic needs for economic and social recovery. Whilst progress on various projects and initiatives towards achievement of the strategy are presented to the Board and Committees, there is no specific and separate annual reporting to the Board on performance against targets for all the metrics in the Strategy.

The college continues to report strong performance against the National Measurement Framework, including satisfaction results above the national average, although the pandemic has impacted on some of these indicators.

The college has played a key role in supporting students and staff through the pandemic.

## The college has proper arrangements in place to promote and secure value for money

**126.** The Financial Memorandum between the Scottish Funding Council and fundable bodies in the college sector requires the college to:

- have a strategy for reviewing systematically management's arrangements for securing value for money, and
- as part of internal audit arrangements, to obtain a comprehensive appraisal of management's arrangements for achieving value for money.

**127.** Securing the economical and effective management of the college's resources and expenditure is the responsibility of the Board of Management.

**128.** One way the college seeks to ensure value for money is through good procurement practice. This is achieved by optimising the use of national, sectoral, local, or regional collaborative-based contracts and frameworks to deliver savings. The most recent figures published showed that around half of college procurement spend in 2019/20 went through collaborative agreements.

**129.** Internal audit does not consider value for money as a standalone review; however, they consider this within all audits. Internal audit did not raise any

concerns over value for money in 2020/21 and their annual report for 2020/21 provided their opinion that ‘...proper arrangements are in place to promote and secure Value for Money’. This opinion was arrived at taking into consideration the work they had undertaken during 2020/21 and in each of the previous years since they were first appointed by the college in 2013/14.

**130.** Our review of expenditure during the audit did not highlight any issues with the regularity of the college’s expenditure, or any instances of business decisions being taken that did not appear to reflect value for money.

**The college’s five-year strategic plan was reviewed in 2020/21 to ensure it remained relevant in respect of the post pandemic needs for economic and social recovery. Whilst progress on various projects and initiatives towards achievement of the strategy are presented to the Board and Committees, there is no specific and separate annual reporting to the Board on performance against targets for all the metrics in the Strategy.**

**131.** The college’s Good to Great Strategy was a two-year transformation project that concluded in early 2020. Its aim was to ensure that: “From 2020 onwards, Dundee and Angus College will be the outstanding model of how regional colleges in Scotland operate and how they impact on their local economy.” We noted in our 2019/20 annual audit report that an independent evaluation of this project would be reported to the Board of Management in 2021, and that we would consider the findings of this. However, the college advised that due to changing priorities relating to the Covid-19 pandemic, the evaluation was not commissioned.

**132.** A five-year strategic plan, [2025 Strategy – More Successful Students](#) was approved by the Board of Management in December 2019. The strategy was designed to build upon rather than replace the Good to Great transformation plan.

**133.** The strategy sets out the college’s vision to: “create more successful students through effective partnerships that change lives and create thriving communities.” Seventeen detailed metrics have been created which are designed to form the framework for assessing progress against the overall vision of the plan. Each metric falls under one of three strategic pledges:

- **Effective Partnerships:** to establish and enhance deeper, more meaningful partnerships both internally and externally to drive sustainability and ensure the best possible outcomes for students, employers, and the wider region
- **Future Focussed:** to deliver curriculum and services in new and innovative ways that drive success and are engaging, flexible, streamlined and designed in partnership with learners, staff, partners, and wider stakeholders
- **Thriving Communities:** to foster trusted, supportive, inclusive, and resilient communities that puts partnerships, engagement and the health, wellbeing and success of students, staff, stakeholders, and communities at the core of how the college operates.



**134.** Having been developed before the Covid-19 pandemic began, the strategy was reviewed during 2020/21 to ensure it remained relevant in respect of the post pandemic needs for economic and social recovery. No amendments to the strategy or its metrics were made.

**135.** A Board Metrics paper is reported to each Board of Management meeting, which includes some of the metrics included in the 2025 Strategy (see further detail at paragraphs 140 - 141). Further metrics are reviewed by the college's other committees. However, there is no single report that collates the performance against each of the metrics identified in the 2025 Strategy.

**136.** To ensure effective oversight and scrutiny of the 2025 Strategy's progress, the college should report on the performance against the metrics identified to the Board of Management on at least an annual basis.



Recommendation 5 ([appendix 1](#), action plan)

### **Performance against the National Measurement Framework is reported regularly to the Board of Management**

**137.** The Regional Outcome is a formal signed agreement between the Dundee and Angus College Board of Management and the Scottish Funding Council (SFC) which commits the college to deliver a number of outcomes and outputs as a condition of the funding received.

**138.** The agreement also sets several targets which the college has agreed to achieve in relation to the National Measurement Framework. This is a set of measures for the college that are monitored and reported on by the SFC. The college's funding is closely linked to its performance against the Framework and therefore these measures are a key area of focus for the Board of Management.

**139.** To ensure that there is clear visibility of data and progress at each Board meeting, a series of standard metrics is presented to members for their consideration and review. These metrics link together a number of data sources into a single high-level Board report to provide high-level indications of the college's performance and include details of performance against the National Measurement Framework. The college's committees are responsible for more detailed consideration of these performance measures.

### **The college continues to report strong performance against the National Measurement Framework, including satisfaction results above the national average, although the pandemic has impacted on some of these indicators**

**140.** As part of our audit, we reviewed the college's performance against the National Measurement Framework and the standard metrics reported to the Board. This showed that:

- **79.5 per cent of students successfully completed their courses in 2020/21** - this showed an increase on the completion rate for 2019/20 (76.9 per cent). However, the overall positive outcome rate decreased from 86.1 per cent to 80.4 per cent, due to an increase in the total rate of withdrawal to 19.6 per cent from 13.9 per cent. Management have

identified the pandemic as being the primary reason for this increase, with the withdrawal rate peaking in the January to April 2021 lockdown.

- **93.1 per cent of Further Education students and 89.4 per cent of Higher Education students were satisfied with their overall college experience** - this was based on the 2020/21 Student Satisfaction and Engagement Survey (SSES) and compares favourably with the national college average of 88.6% for Further Education and 80.3% for Higher Education students. No survey was run in 2019/20, however the 2020/21 results continue the trend of the college achieving above average satisfaction rates in the annual SSES survey.
- **18.1 per cent of credits were delivered to students from the 10 per cent most deprived post code areas during 2020/21** - this figure has remained stable since 2019/20 where the figure was 18.2 per cent, after increasing year-on-year since 2015/16 when the figure was 15.9 per cent.

**141.** The college's funding is closely linked to student success, retainment, and recruitment rates. Student recruitment has been impacted by Covid-19 with course applications and interviews largely completed online. While college applications again reduced, full time recruitment in 2020/21 has remained consistent with the prior year. Maintaining student recruitment, retention and attainment will be important if the college is to meet its 2021/22 credit target.

### **The college exceeded its student activity credits target for 2020/21**

**142.** One of the priority measures contained within the National Measurement Framework is the student activity credits target. The SFC set a credits target for each college region every year and where these targets are not achieved the SFC can decide to recover funding. As with 2019/20, the SFC recognised the ongoing impact of the pandemic on credit delivery, with there being no clawback on 2020/21 core activity funding should the college not reach its target.

**143.** The college has a strong track record of meeting and exceeding its credits targets, as shown in [exhibit 6](#). During 2020/21 the college successfully delivered its student activity target of 107,405 credits, with actual credits exceeding this at 109,591. The college's internal auditor carries out annual checks to confirm the accuracy of the reported credits. The credits delivery included 1,521 under the in-year Young Person's Guarantee and National Transitional Training Fund, with the college supporting these government initiatives that provide free participation in courses and reskilling opportunities.

**144.** In May 2021, the SFC announced the college credits target for 2021/22. This was set at 111,897. For 2021/22, the SFC has taken over responsibility for the funding of Foundation Apprenticeships, with the college's share of these credits being 2,711. The college allocation also includes 1,854 for deferred students, with the SFC allowing colleges to claim credits for students who have to repeat units because of disruption caused by the pandemic. The college's strong attainment and student satisfaction results should provide a good platform from which to achieve these credits targets.



**Exhibit 6****Delivery of student activity credits target 2016/17 to 2020/21**

Year	Core activity target	Activity delivered	Difference
2020/21	108,926*	109,591	+665
2019/20	108,068*	108,330	+262
2018/19	109,308*	109,344	+36
2017/18	108,962	109,360	+398
2016/17	108,333	108,501	+168

\* The 2018/19 and 2019/20 credits targets shown include an additional 1,500 credits and 333 credits respectively that the SFC transferred to the college during those years. The 2020/21 credits targets shown include an additional 1,521 credits that the SFC made available to the college during the year for delivery of YPG/NTTF activity.

Source: SFC Infact database and Dundee and Angus College Regional Outcome Agreements

## **The college has taken steps to address the challenges of student enrolment for 2021/22**

**145.** The college reports regularly on recruitment to its Learning, Teaching Quality Committee. A paper taken to the committee in September 2021 noted that there has been an 11% (1,088) reduction in applications for full-time places for the 2021/22 academic year. Several factors have contributed to this, such as universities allocating additional places to school leavers and reduced engagement with schools as a result of Covid-19.

**146.** Despite the reduction in full-time applications, the college has maintained its offer rate. A number of initiatives have contributed to this, including a multi-channel promotional campaign which launched in April 2021. The college has also offered learners, who withdrew or did not complete their courses in 2019/20 due to the impact of Covid-19, another opportunity to complete or repeat their courses without detriment to their funding.

**147.** The college has been proactive in tackling the challenges to recruitment in 2021/22.

## **The college has played a key role in supporting students and staff through the pandemic**

**148.** In its December 2020 report [Scotland's Wellbeing: The Impact of Covid-19](#), the Scottish Government acknowledged that the pandemic has had a disproportionate impact across a range of outcomes for a number of groups. In particular:

- households on low incomes or in poverty
- low-paid workers
- children and young people
- older people
- disabled people
- minority ethnic groups
- women.

**149.** It is likely the pandemic will exacerbate existing inequalities within these groups. Throughout 2020/21 the college has played a key role in supporting students and staff through the pandemic, with steps taken to mitigate against some of these issues.

**The college has provided a range of wellbeing support to both students and staff**

**150.** The college has recognised that the pandemic and associated lockdowns have impacted the mental health and wellbeing of both students and staff. The Human Resources and Development Committee oversees health and safety matters on behalf of the Board of Management. The committee has considered the staffing and wellbeing impacts of the Covid-19 pandemic. In addition, the college's Equalities Mainstreaming Report, published in April 2021, details the work of the college's Wellbeing Group. This consolidates activities across all the college campuses in a bid to support staff and student's positive physical and mental wellbeing, together with supporting students with mental health needs.

**151.** The college has a number of wellbeing resources and opportunities available for staff, which include exercise sessions, online CPD sessions, an online Wellbeing Hub and bi-monthly wellbeing newsletters. Staff development reviews have been updated to focus more on wellbeing, and the introduction and training of wellbeing champions is being progressed.

**152.** Students have also been supported through the pandemic through the college's Student Services Support and Counselling teams, both of which are advertised on the college's website. In addition, the Students' Association offers a welfare information and referral service to learners. The college has noted that these services have been in high demand during the pandemic and has expanded the support available as a result.

**The college has continued to support those most in need during the pandemic**

**153.** In December 2020, the college won a College Development Network 'Inclusive College Award' for its Child Poverty Project 'Find Your Future'. This project has been funded through the SFC's Tackling Child Poverty Fund and supports young people in, or at significant risk of, severe poverty through education, employment training and entering work. The college reported on its [website](#) that 75% of participants who completed its courses reached a positive destination within six months. The college has committed to continuing to support the project through the Covid-19 recovery.

**154.** In July 2020, the Scottish Government announced it was investing an additional £5.000 million to help address digital poverty which had been heightened by the pandemic. Through the SFC, the college received an additional £0.152 million of funding to support the provision of ICT equipment to learners affected by digital poverty, providing them with the necessary equipment to engage in remote online learning.

**155.** From this funding, the college purchased 366 HP laptops with a value of £0.133 million and 46 Apple iPads with a value of £0.019 million. The devices were well received by students and helped the college to meet the needs of its learners during the academic session 2020/21.

#### The college is participating in a new project to support students with disabilities

**156.** DFN Project SEARCH is a transition to work programme which helps students with learning disabilities and autism spectrum conditions receive work-related learning and improved opportunities to access long-term paid employment. The project runs over 69 schemes throughout the UK and Europe.

**157.** Through the project, the college has co-operated with the Employment Support Service, Dundee Health and Social Care Partnership and NHS Tayside to create a one-year employment preparation programme, where participants complete three 10-week placements within Ninewells Hospital.

**158.** Due to the Covid-19 restrictions and limited capacity available within NHS Tayside, the programme was unable to run during the academic year 2020/21. However, eight students are now enrolled on the course for academic year 2021/22.

**159.** The college has a good track record of supporting students with disabilities. It was in the top three performing National colleges for those with disabilities in 2019/20, with a 72.1 per cent successful completion rate, ranking second out of seventeen colleges.

#### The college received the Carers Positive award in 2020/21

**160.** In May 2021, the college was recognised as a carer positive employer by Carer Positive, a Scottish Government initiative to raise awareness of the challenges facing working carers and encourage employers to understand the business benefits of supporting those staff.

**161.** The college has several members of staff who identify as carers and recognises the additional demands placed on them because of this. The college offers a range of support for these staff members that includes its Special Leave policy, flexible working arrangements, and access to a counselling service. The college also holds regular carer focus groups that help inform policy.

**162.** The review commented on the college's strong commitment to supporting staff with caring responsibilities (as well as student carers), with this available support being well communicated through the college's policies and staff intranet.

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## Good practice

The college has been proactive in providing additional support and opportunities to students and staff during the pandemic, with a focus on those groups disproportionately impacted by it.

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### The SFC has made recommendations to strengthen tertiary education and research

**163.** In June 2020, Scottish Ministers commissioned the Scottish Funding Council (SFC) to review the provision and sustainability of further and higher education and research in Scotland, to address the challenges and opportunities brought by Covid-19. The SFC published the [final report](#) on its review in June 2021.

**164.** The college welcomed this review and contributed to the consultation process together with participating in the review working groups.

**165.** The report includes a range of recommendations aimed at developing a more coherent, responsive, and effective system of tertiary education and research. This includes calling for a clearer strategic longer-term vision for tertiary education and recommending changes to funding and delivery models and how outcomes are agreed and monitored. The college is supportive of many of the report's recommendations.

**166.** The Scottish Government formally responded to the SFC report in October 2021 stating that it broadly accepted and agreed with the report's recommendations.

**167.** Taking forward the recommendations will require collaboration between the SFC, Scottish Government, colleges, universities, Skills Development Scotland, and other partners. The college is committed to its ongoing engagement with the process.

### Appropriate arrangements are in place for consideration of Audit Scotland national reports

**168.** Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. In 2020/21 a number of reports were published which may be of direct interest to the Board of Management. These are outlined in [appendix 3](#).

# Appendix 1. Action plan 2020/21

## 2020/21 recommendations

Issue/risk	Recommendation	Agreed management action/timing
<p><b>1. Fixed assets register-fully depreciated assets</b></p> <p>Our review of the asset register identified that there were 182 assets with a nil carrying value. These had a total initial cost of £5.492 million and had been fully depreciated down to zero by 31 July 2021.</p> <p><b>Risk:</b> The cost and accumulated depreciation balances for Property, Plant and Equipment in the financial statements do not accurately reflect the operational assets of the organisation.</p>	<p>Management should review the fixed asset register to identify fully depreciated assets. Appropriate adjustments should be made determined by whether these assets are continuing.</p> <p><a href="#">Exhibit 2, issue 1</a></p>	<p>Agreed. A review will be undertaken in conjunction with the exercise recently begun to review college assets and develop a replacement and acquisition policy.</p> <p>Head of Finance July 2022</p>
<p><b>2. Journal authorisation</b></p> <p>As part of our financial statements testing, it was identified that at the most senior level within the Finance team, there is no requirement for a second member of staff to review or authorise the journals.</p> <p><b>Risk:</b> The ability of staff to approve their own journals increases the risk that invalid, erroneous or fraudulent journals are posted to the financial ledger.</p>	<p>Management should review this approach. All staff, regardless of grade, should have their journals subject to review and authorisation by a second member of staff,</p> <p><a href="#">Paragraph 26</a></p>	<p>Accepted. A peer review process will be implemented.</p> <p>Head of Finance December 2022</p>

Issue/risk	Recommendation	Agreed management action/timing
<p><b>3. Revised financial strategy</b></p> <p>The college's current five-year financial strategy was developed prior to the pandemic.</p> <p>Work is ongoing to revise this.</p> <p><b>Risk:</b> The longer-term financial impact of Covid-19 may make the financial strategy undeliverable.</p>	<p>The college should produce a revised medium-term financial strategy in 2021/22.</p> <p><a href="#">Paragraph 75</a></p>	<p>Agreed. Plans are underway to produce a revised strategy for consideration by Finance &amp; Property Committee.</p> <p>VP Corporate Services</p> <p>March 2022 (Draft)</p>
<p><b>4. Revised estates strategy</b></p> <p>The college's current estates strategy was developed prior to the pandemic.</p> <p>Work is ongoing to revise this.</p> <p><b>Risk:</b> Due to the impact of Covid-19, there is an overarching risk for the whole college sector that future plans and investment in estate improvements may be affected by the increase in remote learning.</p>	<p>The college should produce a revised estates strategy in 2021/22.</p> <p><a href="#">Paragraph 107</a></p>	<p>Agreed. Plans are underway to produce a revised strategy for consideration by Finance &amp; Property Committee.</p> <p>Head of Estates</p> <p>June 2022 (Draft)</p>
<p><b>5. Reporting against metrics in the 2025 Strategy</b></p> <p>There is no single report by which performance is reported against each of the metrics identified in the 2025 Strategy.</p> <p><b>Risk:</b> The Board of Management is not provided with updates which limits its oversight and scrutiny of the 2025 Strategy progress.</p>	<p>The Board of Management should be provided with an annual update which allows for oversight and scrutiny of the metrics within the 2025 Strategy.</p> <p><a href="#">Paragraph 136</a></p>	<p>Accepted. Appropriate reporting to meet the needs of the Board will be considered and implemented.</p> <p>Vice Principal (People &amp; Performance)</p> <p>September 2022</p>

## Follow-up of prior year recommendations

Issue/risk	Recommendation	Agreed management action/timing
<p><b>PY1. Approval and evidencing of exit packages</b></p> <p>We identified that one exit package had not been authorised in accordance with the college's policy. As a result of the cyber-attack evidence supporting this decision was not available for review by audit.</p> <p><b>Risk:</b> There is a risk that the college does not comply with SFC guidance to obtain clearance on exit packages or retain appropriate evidence of settlement agreement decisions.</p>	<p>Management should ensure that all exit packages are authorised in accordance with the applicable guidance and are supported by an appropriate business case.</p>	<p><b>Complete</b></p> <p>Our testing of exit packages in 2020/21 did not identify any issues. The college and SFC guidance were adhered to.</p>
<p><b>PY2. Fixed asset register – fully depreciated assets</b></p> <p>Our review of the asset register identified that there were 153 assets with a nil carrying value. These had a total cost of £29.774 million and had been fully depreciated down to zero by 31 July 2020.</p> <p><b>Risk:</b> There is a risk that the cost and accumulated depreciation balances for Property, Plant and Equipment in the financial statements do not accurately reflect the operational assets of the organisation.</p>	<p>Management should undertake a regular review of the asset register to identify fully depreciated assets. Appropriate adjustments should be made determined by whether these assets are continuing.</p>	<p><b>Ongoing</b></p> <p>See recommendation 1 above.</p> <p>Fixed asset disposals in 2020/21 included 14 fully depreciated assets (with cost £0.234 million). However, at 31 July 2021 there remains 182 fully depreciated assets on the fixed asset register with cost £5.492 million.</p> <p>Management have begun a more comprehensive review of the fixed asset register in 2021/22. This should aim to identify and dispose of all fully depreciated assets no longer in use or held by the college.</p> <p><b>By July 2022</b></p>
<p><b>PY3. Revised financial plans to reflect Covid-19</b></p>	<p>The college should produce a revised five-year financial strategy once there is</p>	<p><b>Ongoing</b></p>



Issue/risk	Recommendation	Agreed management action/timing
<p>Dundee and Angus College's five-year financial strategy covering 2019/20-2023/24 was approved by the Board in March 2019.</p> <p><b>Risk:</b> The longer-term financial impact of Covid-19 may make the financial strategy undeliverable.</p>	<p>sufficient certainty around the longer-term financial impact of Covid-19.</p>	<p>See recommendation 3 above.</p> <p>Work is ongoing to revise the college's medium-term financial strategy, with a draft being presented to the March 2022 committee meeting.</p> <p>We will obtain and review this as part of the 2021/22 annual audit.</p> <p><b>By March 2022</b></p>
<p><b>PY4. Five-year estate strategy</b></p> <p>The college has in place a five-year estate strategy covering the period 2019/20 to 2023/24.</p> <p><b>Risk:</b> Due to the impact of Covid-19, there is an overarching risk for the whole college sector that future plans and investment in estate improvements may be affected by the increase in remote learning.</p>	<p>The college should review its five-year estate strategy to ensure that the existing plans represent the best approach to supporting an excellent, future focussed curriculum, in a post Covid-19 world.</p>	<p><b>Ongoing</b></p> <p>See recommendation 4 above.</p> <p>In May 2021, the Finance and Property Committee was presented with an outline revised Estates Strategy covering 2021 to 2026. This will continue to be developed with a draft of the Strategy due to be presented to the committee during the first half of 2022.</p> <p>We will obtain and review this as part of the 2021/22 annual audit.</p> <p><b>By March 2022</b></p>
<p><b>PY5. Annual capital budget</b></p> <p>Colleges are provided with a limited capital budget each year to fund the annual costs associated with existing assets, i.e., depreciation charges and any impairment costs.</p> <p><b>Risk:</b> There is a risk that the college's annual capital budget from 2020/21 will be insufficient to cover the additional annual costs associated with the capital</p>	<p>The college should discuss with the SFC its plans to finance future depreciation costs.</p>	<p><b>Complete</b></p> <p>Sufficient capital funding has been obtained to fund capital costs in 2020/21, including the addition of assets under construction relating to the Kingsway Campus redevelopment.</p>



Issue/risk	Recommendation	Agreed management action/timing
works at the Kingsway Campus.		

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# Appendix 2. Significant audit risks

The table below sets out the audit risks we identified on the 2020/21 audit and how we addressed each risk in arriving at our conclusion. The risks are categorised between those where there is a risk of material misstatement in the financial statements and those relating to our wider responsibility under the [Code of Audit Practice 2016](#).

## Risks of material misstatement in the financial statements

Audit risk	Assurance procedure	Results and conclusions
<p><b>1. Risk of material misstatement caused by the management override of controls</b></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>	<p>Detailed testing of journal entries.</p> <p>Review of accounting estimates.</p> <p>Focused testing of accruals and prepayments.</p> <p>Evaluation of significant transactions that are outside the normal course of business.</p> <p>Review of the Annual Governance Statement and the assurances obtained in support of the statement.</p>	<p><b>Results:</b> Journal adjustments were tested, and no indications of management override of controls were found.</p> <p>Judgements and estimations applied were tested to confirm they were appropriate and reasonable.</p> <p>We tested accruals and prepayments and confirmed that income and expenditure was properly accounted for in the financial year.</p> <p>We reviewed transactions during the year – no issues highlighted of significant transactions outside the normal course of business.</p> <p>We reviewed the Annual Governance Statement and the assurances in support of this. No issues were identified.</p> <p><b>Conclusion:</b> Satisfactory</p>
<p><b>2. Risk of material misstatement caused by fraud in income recognition</b></p>	<p>Review of budget monitoring reports focussing on significant budget variances.</p>	<p><b>Results and conclusion:</b> On completion of our interim audit work for 2020/21 we reconsidered this risk considering the results of our</p>

Audit risk	Assurance procedure	Results and conclusions
<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>	<p>Analytical procedures on income streams.</p> <p>Detailed testing of income transactions focusing on the areas of greatest risk.</p>	<p>interim audit work and the requirements laid out in auditing standards. As a result, we have now rebutted the presumption that a significant material risk exists from fraud over income recognition. This is based on the extent of income which is received from other parts of the public sector, including from the Scottish Funding Council.</p>
<p><b>3. Risk of material misstatement caused by fraud in expenditure</b></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 to the college due to the variety and extent of expenditure incurred.</p>	<p>Consideration of the findings from internal audit's reviews of NFI and budgetary control.</p> <p>Review of budget monitoring reports focussing on significant budget variances. Testing of the key controls over the payroll system.</p> <p>Analytical procedures on expenditure streams.</p> <p>Detailed testing of expenditure transactions focusing on the areas of greatest risk.</p>	<p><b>Results and conclusion:</b> On completion of our interim audit work for 2020/21 we reconsidered this risk taking into account the results of our interim audit work and the requirements laid out in auditing standards. As a result, we have now rebutted the presumption that a significant material risk exists from fraud over expenditure. This is based on the extent of expenditure which is associated with staff costs. These costs are well forecast, subject to tight controls and are reconciled to the payroll system, the risk of material misstatement is not significant.</p> <p>For the areas that are subject to some risk, we have considered the incidence of</p>

Audit risk	Assurance procedure	Results and conclusions
		<p>fraud using National Fraud Initiative outcomes. We have assessed that the volume of transactions, that would need to be fraudulent to prove a material risk, is implausible.</p>
<p><b>4. Estimation and judgements</b></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>	<p>Review of the work of the actuary, including consideration of the appropriateness of the actuarial assumptions used.</p> <p>Review of the college's procedures for ensuring actuarial valuations provided are appropriate.</p> <p>Confirm pension valuations in actuarial report are correctly reflected within the 2020/21 financial statements.</p>	<p><b>Results:</b> We assessed the reliability of the actuary and reviewed their work. No issues were noted.</p> <p>Pension disclosures agreed in full to information from actuaries, or to financial records where applicable. This included verification of pension entries in the audited accounts to the IAS19 report.</p> <p><b>Conclusion:</b> Satisfactory</p>
<p><b>5. Kingsway redevelopment</b></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</p>	<p>Review contractor and surveyor valuations.</p> <p>Review any post balance sheet accounting and disclosure adjustments made and assess whether these comply with accounting standards.</p>	<p><b>Results and conclusion:</b></p> <p>On completion of our interim audit work for 2020/21 we reconsidered this risk taking into account the results of our interim audit work and our discussions with management. Due to delays caused by the pandemic together with supply issues arising from the UK's withdrawal from the EU, the work on the redevelopment is not expected to be completed until the Spring of 2022. As such, there is unlikely to be any post balance sheet event prior to the certification of the audited accounts in December 2021.</p> <p>The college's progress with its revised estates strategy, together with an update on the Kingsway redevelopment and STEM centre are</p>

Audit risk	Assurance procedure	Results and conclusions
balance sheet event represents an increased risk of material misstatement.		reflected in section 3 of this report.

## Risks identified from the auditor's wider responsibility under the Code of Audit Practice

Audit risk	Assurance procedure	Results and conclusions
<p><b>6. Impact of Covid-19</b></p> <p>The college has expended significant resources in responding to the disruption caused by Covid19.</p> <p>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.</p> <p>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.</p>	<p>Monitor achievement of Board Metrics, including those relating to student achievement and retention.</p> <p>Review college's recovery plans and progress against strategic pledges and metrics set out in the 2025 strategy.</p> <p>Review results of 2020/21 SFC Student Satisfaction and Engagement Survey.</p>	<p><b>Results and conclusion:</b></p> <p>The college has largely performed well against its Board Metrics, including exceeding targets for successful completion rates, credit out-turn and student recruitment. However, overall positive outcomes for students marginally decreased.</p> <p>See also <a href="#">appendix 1</a>, recommendation 5.</p> <p>The results of the 2020/21 SFC Student Satisfaction and Engagement Survey showed that the college performed well, exceeding national average results.</p>
<p><b>7. Financial sustainability</b></p> <p>The Covid-19 pandemic has had a fundamental impact on the college's income and expenditure streams.</p> <p>For example, the college is projecting that catering and other income will be £0.879 million less in 2020/21 compared to 2019/20.</p> <p>As economic recovery from Covid-19 progresses, the financial outlook for the college is likely to be significantly different from</p>	<p>Monitor achievement of financial targets, including achievement of student credit targets.</p> <p>Assessment of the college's revised Financial Strategy.</p> <p>Review of the college's Financial Forecast Return for 2021/22-2023/24.</p>	<p><b>Results:</b> The financial outturn and challenges for the medium and longer term are reflected in section 2 and 3 of this report. Performance is included in section 5.</p> <p><b>Conclusion:</b> As with most public sector organisations, the college will need to update its medium to longer-term financial plans to reflect the impact of the pandemic.</p> <p>See <a href="#">appendix 1</a>, recommendation 3.</p>

Audit risk	Assurance procedure	Results and conclusions
<p>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.</p> <p>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 Covid1-9 and this negatively impacts on their cash balances in the medium to long-term.</p>		
<p><b>8. Estates plans</b></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>Ongoing assessment of the college's five-year estate strategy, including any revisions.</p> <p>Monitor progress of Kingsway redevelopment works.</p> <p>Monitor progress of outline business case for the planned STEM centre and any other funding applications.</p>	<p><b>Results:</b> The college's progress with its revised estates strategy, together with an update on the Kingsway redevelopment and STEM centre are reflected in section 3 of this report.</p> <p><b>Conclusion:</b> See <a href="#">appendix 1</a>, recommendation 4.</p>

Audit risk	Assurance procedure	Results and conclusions
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.		

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# Appendix 3. Summary of 2020/21 national reports

All reports can be found [here](#)

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## July 2020

[The National Fraud Initiative in Scotland 2018/19](#)

[Covid-19: Emerging fraud risks](#)

## August 2020

[Covid-19: Implications for public finances in Scotland](#)

[Covid-19: Guide for audit and risk committees](#)

## December 2020

[Covid-19: Going concern in the public sector](#)

[Local government in Scotland: Financial overview 2019/20](#)

## February 2021

[Covid-19: Tracking the implications of Covid-19 on Scotland's public finances](#)

## May 2021

[Scotland's colleges 2020](#)



# Dundee and Angus College

## Proposed 2020/21 Annual Audit Report

Audit Scotland's published material is available for download on the website in a number of formats. For information on our accessibility principles, please visit:

[www.audit-scotland.gov.uk/accessibility](http://www.audit-scotland.gov.uk/accessibility)



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**JOINT AUDIT & RISK,  
FINANCE & PROPERTY COMMITTEE**

**Tuesday 7 December 2021**

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**Minutes of Previous**

**Finance & Property Committee Meeting  
20 September 2021**

**PAPER O**

# BOARD OF MANAGEMENT

## Finance and Property Committee Meeting

**Monday 20 September 2021**

*Draft confirmed by Chair*



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Minute of the Finance and Property Committee meeting held on Monday 20 September 2021 at 5.00pm in Teams.

**PRESENT:**

S Mill (Chair)	A McCusker
N Lowden	B Carmichael
D Fordyce	S Hewitt
S Stirling	K Ditcham

**IN ATTENDANCE:**

J Carnegie (Vice Principal)	J Grace (Vice Principal)
S Taylor (Vice Principal and Secretary to the Board)	
B Ferguson (Head of Finance)	A Ross (Head of ICT)
T D'All, Principal's Secretary	

### 1. WELCOME

S Mill welcomed members to the meeting.

### 2. APOLOGIES

Apologies were received from D Mackenzie and B Grace.

### 3. DECLARATIONS OF INTEREST

There were no declarations of interest

### 4. MINUTES OF FINANCE AND PROPERTY COMMITTEE MEETING 25 May 2021

The minute of the Finance and Property Committee meeting held on 25 May 2021 was approved as an accurate record.

### 5. MATTERS ARISING

All Matters Arising were closed off except:

- D&A College and MSIP Skills Academy Launch Event is to be postponed until January 2022.
- Financial Strategy will be delayed, due to competing priorities (including SFCs FFR), until December 2021 (update) and March 2022 document presentation to the Finance & Property Committee.

- STEM Centre OBC Developments have stalled due to other priorities and a lack of a funding route. This will be progressed alongside the development of the Estates Strategy.

A McCusker requested a timeline for the Financial Strategy. This was confirmed as March 2022.

The Finance & Property Committee noted the Matters Arising.

## 6. FINANCE

### 6.1 (July) Financial Forecast Return (FFR)

S Mill presented the paper for discussion with J Carnegie providing a brief of the narrative and the format followed, although it was noted that the financial assumptions used would not necessarily reflect the picture now.

B Ferguson noted that the 'FFR Version 2' to be submitted in October 2021 was a complete re-start document.

S Mill noted that the Finance & Property Committee members were asked to retrospectively recommend approval to the Board of the Financial Forecast Return that was submitted to the Scottish Funding Council in July 2021.

The committee gave approval for the paper to be presented for approval to the Board of Management.

A McCusker noted the October deadline for the next FFR and requested a short meeting of the Finance & Property Committee meeting in October 2021 to approve the final version, or that approval was sought via email in advance of submission. This was agreed. **S Taylor to progress.**

### 6.2 2020/2021 Draft Outturn

B Ferguson noted that the College had continued to perform well. Securing YPG/NTTF funding; an increased outturn and commercial and apprenticeships and a reduction in the utilisation of the staffing contingency; no need for a pay contingency.

B Ferguson did note the inability to spend as much as the College would have liked due to delays in delivery pushing purchases beyond the end of the financial year. B Ferguson noted that spend of circa £400,000 had been achieved but that it was not possible to spend more on ICT due to scheduled deliveries that were out of the College's control. B Ferguson intimated that he was confident that the accounts would stand up to audit and that there were no further significant variations to be considered.

The current positive cash position was noted by the Committee. B Ferguson confirmed that SFC were aware of the cash position and delivery problems experienced – this was a similar picture for other Colleges.

D Fordyce enquired about Student Debt being a major issue and B Ferguson confirmed that the Senior Leadership Team had adopted a more supportive approach to student debt especially around individual student's family circumstances where furlough, redundancy etc had played a part in delay of paying fees during the COVID pandemic. B Ferguson did however note an increasing issue where the students would not engage with the Finance Team to allow them to give advice and help. B Ferguson noted that debt warnings had been issued to those not coming back to College.

S Hewitt noted the good financial position but that the Senior Leadership Team also did not want to repeat this year on year. S Hewitt intimated that he would prefer to utilise any surplus on enhancing the student experience and facilities. S Hewitt confirmed that the Senior Leadership Team were looking to enhance elements of resource planning and spending, but that the level of volatility made this challenging, especially alongside procurement requirements.

J Carnegie noted the need to encourage SFC around the longer term funding piece. A McCusker noted the national discussions taking place on a request to change to a 3 year funding model.

The positive financial outturn was welcomed.

### **6.3 Revised Financial Regulations**

S Mill noted the document with minimal tracked changes.

J Carnegie noted the rational for changes to approval limits at different levels within the College. These were discussed and the proposed amendments approved.

J Carnegie noted an omission on asset disposals within the draft which would be updated in line with other delegated limits.

The revised Financial Regulations were approved.

### **6.4 Outline Financial Strategy**

J Carnegie summarised the work and research carried out over the summer period looking at various financial strategies to provide a helpful outline for discussion.

J Carnegie summarised the paper with the key discussion around "where would we like to be?"

J Carnegie highlight the opportunity to bring to a future Finance & Property Committee a pipeline of "shovel ready" project for approval by the Committee but to be progressed only where funding was available. These projects would have the pricing frameworks and supplier ready but no committed to spend. This was agreed. **J Carnegie to progress.**

S Mill asked about the target date for the Financial Strategy along with a swot or PESTLE analysis to give some structure around the Opportunities and Risks anticipated. J Carnegie stated that she would know more information for the FPC Meeting in December, with the draft Strategy ready for the March 2022 meeting.

A McCusker complimented the document structure noting that it was a good start.

K Ditcham enquired about the maintenance and fixed assets under the “how do we get there” heading. J Carnegie confirmed that these were a combination of capital and revenue funding.

A McCusker asked if it was possible to have an update on progress and income/contribution in respect of the Service Design Academy (SDA). J Carnegie confirmed that this could be made available. **J Carnegie to progress.**

## **7. ESTATES**

### **7.1 Kingsway Tower Redevelopment**

S Mill noted the request for approval to approach Dundee & Angus Foundation to seek to draw down £136K of the £250K contribution approved by the Board in December 2020.

J Carnegie summarised the progress of the project and the impact of changes in prices for construction materials.

S Mill asked if J Carnegie was confident of the project contingencies remaining in the budget and asked what the alternative would be if the Committee did not approve the approach for additional funding from the Dundee & Angus Foundation?

J Carnegie confirm that the project contingencies were reducing as the project progressed, but that the College had a Quantity Surveyor (QS) to verify the costing work undertaken by Robertson Construction’s QS. Whilst the current pressures on construction materials costs were unpredictable, the projected costs and contingency were felt to be appropriate. J Carnegie noted confidence that the figure will see the project to its end in April 2022.

J Carnegie noted that a lot of “kit” had also been purchased up front, helping to mitigate the risk of further price increases.

J Carnegie confirmed that if approval was not given by the FPC then the College would have to look towards its own funds and reallocate non-capital elements of budget to cover parts of the project and discussion took place around this.

S Mill recommended that the Committee gave approval for the drawn down from the Dundee & Angus Foundation but this to only be progressed after all other avenues had been explored. This was approved. **J Carnegie to progress.**

## 7.2 Estates Update

J Carnegie summarised the work being undertaken and noted how great it was to see the progress in the work undertaken at Kingsway Campus.

J Carnegie summarised the Catering Review that had taken place and the brilliant work taken place with the Students' Association. The students on campus would now have their own kitchen allowing them to prepare simple food free of charge.

S Mill noted that it would be a great if the other members of the Committee could see the new spaces and A McCusker confirmed that this might take place during the Christmas Lunch proposed to take place in the new Training Restaurant in December.

It was agreed that images of the updated spaces would be shared with Board members. **T D'All to progress.**

## 8. PROCUREMENT UPDATE

S Mill confirmed that, in line with protocols agreed at the Finance & Property Committee in November 2018, the information included in this paper detailed the expected and recurring new contracts and contract renewals which exceed or were very close to the delegated authority limits.

J Carnegie noted one non-competitive action for the purchase of Campus Furniture. The APUC framework with supplier Azzurro advised of challenges around availability and delivery. A high-level price comparison with a local supplier, Sharp Interiors, who is on the Scotland Excel framework, quoted more competitive rates and were deemed better Value for Money and provided more reassurances around delivery timescales. S Mill sought reassurance that the NCA would be published by way of a VEAT notice if appropriate. **B Ferguson to progress.**

J Carnegie noted the planned procurement arrangements for the Tay Cities Deal TCEP (Advanced Engineering & Manufacturing) project and the need to progress some elements of spend in advance of approval of the final business case for the project. J Carnegie noted that assurance had been received in terms of the availability of funding.

S Mill confirmed a similar situation for Angus Council – money needs to be spent at risk to progress the projects. B Ferguson noted that the risk was likely very low.

J Carnegie recommended to the Committee Option 2 (Open Tender via Public Contracts Scotland Portal (PCS)) but noted that this would take longer. This was agreed.

The Committee approved the Procurement as detailed above.

## **9. COVID-19 UPDATE ON ARRANGEMENTS**

### **9.1 Estates & Infrastructure**

J Carnegie noted the more staff and students were now on campus and highlighting the fluid guidance from Scottish Government around face coverings (this had changed 3 times in 3 weeks) which was very frustrating. J Carnegie also noted there was a regular challenge to get school pupils to comply with wearing face coverings.

J Carnegie informed the Committee that pop-up vaccinations centres had been arranged for Arbroath, Kingsway and Gardyne Campus offering vaccinations to both staff and students. Initial turnout to these centres had been good.

S Hewitt stated that the number of COVID-19 positive cases had increased, which had brought additional challenges. S Hewitt did however note the good relationship with the unions and highlighted the recent joint SLT / Students' Association and union statement to staff along with a video update with the Students' Association for staff and students.

### **9.2 Finance & Governance**

B Ferguson confirmed that, whilst it had been complex at times (claiming for part-time furlough), the drawdown from the Furlough Scheme was circa £1.9m and had been very beneficial to the College.

B Ferguson noted that the digitisation of finance forms had been delayed but was now up and running and making good progress.

## **10. STRATEGIC RISK & COVID REGISTER**

S Mill noted the 6 risks for consideration by the Finance & Property Committee 4 of which are green and 2 amber. The Committee specifically looked at:

- 4.2 Failure to achieve ambitions of Digital strategy; strategy and development is ineffective
- 2.6 Demands of capital developments / maintenance impacts on financial sustainability or delivery of learning and/or services

A Ross provided background to the Digital Strategy highlighting the change of pace was breath-taking e.g., remote/hybrid delivery. A considerable re-write had taken place over the summer and a revised "road map" was being reviewed every quarter.

A Ross noted access to College systems for staff going abroad was now only available on a case-by-case basis with special arrangements with the ICT Team.

A Ross highlighted managing the ICT risk was constantly being reviewed and CPD offered to staff and students where needed.



S Stirling told the Committee that all students had been given the opportunity to get help with using MS Teams.

S Mill noted the assurance given and proposed that there should be no change to Risk 4.2 – the group agreed.

S Mill highlighted the inflationary spend in respect of risk 2.6 and the action taken regard to funding for the Kingsway Project and the previous agreed action to look at financing via the College's surplus or approaching Dundee & Angus Foundation.

After some discussion it was agreed that risk 2.6 is not changed at this time.

## **11. VP CORPORATE SERVICES REPORT**

S Mill noted J Carnegie's paper highlighting the good support provided by the various teams.

S Mill requested that if all possible, and if the information is easily accessed, that a metrics for the Service Design Academy be provided for the next Finance & Property Committee.

S Mill welcomed the shortlist places in the sustainability categories the Green Gowan Awards and the College Development Networks Awards.

A McCusker asked about the Flexible Workforce Development Fund (FWDF) and the likelihood that all funding could be claimed? J Carnegie confirmed that the College was currently prioritising work on funds from last year but noted that she was confident the College would deliver on what was planned and meet the expected contribution. J Carnegie noted that work was also currently underway to sign up companies for the 21/22 FWDF.

S Hewitt noted that this was a similar picture across the sector.

## **12. DATE OF NEXT MEETING**

Tuesday 7 December 2021 as part of the Joint Audit & Risk and Finance & Property Committee

### **Action Point Summary**

<b>Action</b>	<b>Responsibility</b>	<b>Date</b>
Update on progress of Financial Strategy	J Carnegie	7 December 2021
Final draft Financial Strategy	J Carnegie	1 March 2022
Short FPC meeting or email approval to arranged for final approval of FFR	S Taylor	October 2021
Programme of proposed "shovel ready" projects for consideration by FPC	J Carnegie	7 December 2021
Explore and confirm ability to use College funds to support Kingsway project prior to any application to the D&A Foundation.	J Carnegie	31 October 2021

Approval to approach D&A Foundation draw down to fund Kingsway Campus project contingency	J Carnegie	31 October 2021
Publish the Furniture NCA award	B Ferguson	31 October 2021
Update on Services Design Academy activity, income, and contribution	J Carnegie	7 December 2021
Circulate images of Kingsway campus developments to Board	T D'All	31 October 2021

**JOINT AUDIT & RISK,  
FINANCE & PROPERTY COMMITTEE**



**Tuesday 7 December 2021**

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**Matters Arising**

**PAPER P**

**BOARD OF MANAGEMENT**  
**Finance & Property Committee**  
**Tuesday 7 December 2021**  
**Matters Arising**



*Paper for information*

<b>Agenda Item No</b>	<b>Action</b>	<b>Current status</b>	<b>Open / Closed</b>
6.1	Short Finance & Property Committee meeting or email approval to arranged for final approval of FFR	Meeting held 19 October 2021	Closed
6.4	Programme of proposed “shovel ready” projects for future consideration by Finance & Property Committee	Initial capture of project completed. Currently confirming appropriate projects that will be progressed to procurement, with no commitment to progress.	Open
7.1	Explore and confirm ability to use College funds to support Kingsway project prior to any application to the D&A Foundation.	SFC Capital & Maintenance grant will provide sufficient funding based upon current project cost projections. This will continue to be monitored until project completion.	Closed
7.1	Approval to approach D&A Foundation draw down to fund Kingsway Campus project contingency.	Dundee & Angus Foundation approved ability to drawdown £136K funding if it cannot be supported via College funds	Closed
8.0	Publish the Furniture Non Competitive Award.	Award has been published in Public Contracts Scotland.	Closed
6.4/11.0	Update on Services Design Academy activity, income, and contribution in future VP Report updates.	A Contribution Report is included within the VP Report.	Closed
7.2	Circulate images of Kingsway campus developments to Board.	Circulated to Finance & Property Committee members via email on 19 October 2021	Closed

The following actions were noted from the Tuesday 25 May 2021 Finance & Property Committee Meeting.

<b>Agenda Item No</b>	<b>Action</b>	<b>Current status</b>	<b>Open / Closed</b>
8.1	D&A College and MSIP Skills Academy Launch Event invite to Education Secretary. <b>S Hewitt</b>	Launch Event has been delayed until March 2022	Open

The following actions were noted from the Tuesday 2 March 2021 Finance & Property Committee Meeting.

<b>Agenda Item No</b>	<b>Action</b>	<b>Current status</b>	<b>Open / Closed</b>
6.0	Revised Finance Strategy to be developed <b>J Carnegie / B Ferguson</b>	An update on the financial strategy will be presented to the March 2022 Committee.	Open
6.0	Revised STEM Centre OBC to be developed <b>J Carnegie / B Grace</b>	This has stalled due to other priorities. This will be progressed alongside the development of the Estates Strategy.	Open

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

**JOINT AUDIT & RISK,  
FINANCE & PROPERTY COMMITTEE**



**Tuesday 7 December 2021**

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**Budget Monitoring & Forecast Outturn**

**PAPER Q**

# **BOARD OF MANAGEMENT**

## **Finance & Property Committee**

### **Tuesday 7 December 2021**

### **Management Accounts and Forecast**

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#### ***Paper for information***

#### **1. Introduction**

This report brings to the Committees attention the management accounts for Month 3 (August – October) which incorporates the budget that was approved in May 2021 together with management's latest forecast for the year. The final audited Outturn position for the year to July 2021 is also reported.

Please note: As intimated in September, there was c£800K planned spend from 2020/21 that was not receipted within 2020/21 due to delivery challenges and has resulted in being incurred in 2021/22.

#### **2. Recommendation**

Members are asked to note the Month 3 position.

#### **3. Context**

The budget for 2021-22 was considered by the Committee in May and approved by the Board on 8 June 2021. At the time of preparation the Scottish Funding Council (SFC) had provided very welcome indicative funding allocations, however the continued impact of Covid-19 remained uncertain. As a consequence, high level assumptions were adopted and it was agreed to produce a more refined forecast reflecting additional budget holder engagement and actual student enrolment data. There is greater clarity in some respects however, with winter approaching and high levels of infection still prevalent, it is still difficult to predict exactly how the pandemic might influence future economic activity. Therefore, appropriate and generally prudent assumptions remain a feature of this forecast.

SFC confirmed funding allocations on 27 May 2021 with no significant changes other than a redistribution between core and ESF credits.

In May it was difficult to accurately determine the likely outturn for 2020-21, particularly given the global supply problems with ICT and other equipment. We were very fortunate to be able to report such a strong operating cash performance last year and this has necessarily impacted upon expenditure in the current year. Forecast spend has increased accordingly, with a detrimental impact upon the year but with no ultimate change to cash in this respect.

The forecast for 2021-22 reflects significant changes in the profiled spend of the Kingsway development project and with matching funding, this does not alter the net operating position and existing funding arrangements should prove to be adequate.

This forecast does not yet include income and expenditure relating to the Tay Cities Engineering Partnership (TCEP). Following the delayed approval of the OBC, the Full Business Case is now to be submitted to Scottish Government this month. Tay Cities funding of £557K is earmarked to be spent within the current fiscal year. A further £300K will be provided by Seagreen Wind Energy Limited to the Partnership to provide STEM based learning in collaboration with MSIP Skills Academy and Dundee Science Centre. There is potential to recoup some project management costs currently being incurred, of up to £50K if TCEP is approved.

An assessment of the risks from key areas continues to be provided in order to complement this commentary and to provide more details of specific mitigation and contingencies. Possible cash deviations are informed estimates in an effort to provide some indication of likely impacts, both favourable and adverse.

#### 4. Summary of results

We are forecasting a **Cash-backed deficit of £854K**. This is a significant change from the budgeted surplus of £215K and a comparison is shown by income and expenditure category within the Management Accounts. (The deficit is circa £250K greater than the high level forecast made when submitting the Financial Forecast Return in October.)

Actual cash-backed surplus for the period to 31 October, at £1.1m is almost £0.7m below budget but can be largely explained by both profiling of budgeted income and expenditure and costs spilling over from the previous year's forecast. All significant variations have been considered in terms of their likely impact and forecasts adjusted where necessary.

As described above, volatility has been introduced to both income and expenditure from changes to Kingsway development costs and associated funding and from expenditure planned for the previous year, which has previously been highlighted to the Committee.

The budget made provision of £200K for an innovation fund to be available for staff led projects. This has been reduced to £100K in this forecast.

A summary of the main net movements from budget is presented in the table below and explained in more detail within the relevant sections.

	£000's
<b>Surplus per budget</b>	<b>215</b>
FWDF, reduction in contribution	(133)
SDA, reduction in contribution	(225)
Catering, loss of contribution	(149)



Tuition fees reduction	(105)
Workbased and apprenticeship increases	183
Teaching pay - other movements	291
Support pay - other movements	(280)
Additional spend from prior year	(826)
ICT other savings	108
Innovation fund reduction	100
Other net movements	(33)
<b>Deficit per forecast</b>	<b>(854)</b>

## 5. Income

Total cash income for 2021/22 is currently forecast to be £44m. Although this reflects a modest gross increase of £309K, it includes an additional £703K of SFC funding for Kingsway, matching increased revenue costs, and therefore masks what would otherwise be a reduction of £394K

SFC Credit income, including ESF funded credits, is unchanged in this forecast. The risk has however increased with fewer enrolments and whilst latest credit projections would achieve core targets, it is possible that the 1,000 non-core YPG/NTTF credits may not be available. This year's funding included additional credits for Deferred Students and Foundation Apprentices and whilst we are reasonably confident of achieving them, the consequences of failing to do so are not clear.

In a departure from the previous two years, SFC have not (yet?) guaranteed to honour core funding allocations if failure to achieve can be linked to Covid-19. The sector continues to lobby for this assurance, with most colleges seeing a similar decline in enrolments. Retention of full ESF credit funding is also in greater jeopardy with a national decline in HE student numbers.

Other SFC grant income is up £472K from budget but drops by £231K when discounting the movement in Kingsway funding. This is due to Flexible Workforce Development Funding, reducing by £273K largely as a consequence of number of organisations choosing to cancel commitments and relinquish funding from prior year's allocations.

Tuition fees have been reduced by £420K from budget. The decline in fee income was partly predicted when establishing the budget, however the loss of anticipated contracts contributes to a reduction of £315K from Service Design Academy. A contribution statement for SDA is included within the VP Corporate report.

Non-Core income rises by £400K. A reassessment of income streams sees positive movements from SVQs and electrical and plumbing apprenticeship income, providing an additional £183K. A further £200K arises from the introduction of grant funding for MSIP Skills Academy, largely matched by associated costs. An additional £38K comes from Energy Skills Partnership to fund a successful bid for engineering equipment and an electric vehicle.

Catering & other income reduces by £183K in this forecast. Footfall across all campuses is lower than had been assumed and catering managers are projecting income reductions of £238K, nearly 30% down on budget. Other reductions are offset by increases in revenue from Gardyne sports facilities which is already very buoyant, albeit attracting increased staffing costs. Subject to further Covid-19 restrictions, we are reasonably confident that this revenue stream can increase further.

No revenue donations are assumed from the Foundation, with the full £3.3m awarded to the College to be treated as capital receipts to help fund the Kingsway development.

## **6. Pay Costs**

At £34.4m, total pay costs hardly change from budget to forecast. However, within this overall neutral position we see teaching costs reduce by circa £400K and support costs rising by a similar amount. Within teaching pay there has also been a shift from variable to established of approximately £400K due to transfer to permanency arrangements effective from late August.

Variable teaching pay reduces with lower FWDF delivery, as does invoiced costs of associate trainers. Budgeted variable pay included a large provision of £300K given the prevailing uncertainties, particularly in respect of potential resource commitments for deferred students. This element of teaching pay takes cognisance of actual timetabling requirements but a provision of £100K is retained given the challenges of achieving credit targets.

Support pay increases by £375K, with approx. £150K being additional funded posts, from trust funding and the governments Kickstart scheme, with income now forecast at £90K which includes funding for Climate Emergency Assistants. Conversely, there is also a reduction of £50K from DYW, with a post moving off payroll.

Whilst there have been some reductions in line with activity, in areas such as SDA and Catering, the forecast does now capture several additional posts including Curriculum Director and Marketing Manager and enhanced posts or extra hours in areas including Landbased, Sports Centre and Learner Engagement, with the latter due to additional fixed term Metre-Greeter posts to encourage Covid-19 compliance on campus.

Provision for both academic and support pay award from September is almost unchanged at circa £700K. These are believed to be prudent assessments but the College has limited influence over settlements negotiated nationally.

The voluntary severance scheme, with terms unchanged, was reopened in early November and will close on 31 December. To date, no applications have been approved and no cost or savings provision has been made in this forecast.

## **7. Non Pay Costs**

Total non-pay costs increase by £1.4m In this forecast, to £10.4m, due to a combination of additional funded expenditure, with little net impact, and slippage from

the prior year's budget. The real net increase after discounting the funded increase in Kingsway described above is £700K.

Cost slippage from last year amounts to some £826K, only slightly up on the indicative value given when reporting last year's draft outturn.

ICT costs see the largest increase in forecast spend due to last year's supply problems, primarily with HP equipment, where delivery dates were frequently pushed back. The total net increase of £317K has however benefited from offsetting savings secured when renewing data links and by bursary funds subsuming the purchase of some student devices.

There have however been some reductions associated with certain revenue generating activities, such as catering, and an innovation contingency of £100K has been removed.

## **8. Subsidiary Company**

Gardyne Theatre Limited began to benefit from some studio hires over the summer and re-opened the Theatre to the public on 25 September. It has also benefited from further funding of £15K from Creative Scotland's Culture Organisations and Venues Recovery fund as previously anticipated, with this apportioned between last year and the current year. The break-even budget therefore remains achievable subject to the imposition of any further restrictions.

## **9. Student Support Funding**

SFC have enhanced generous baseline allocations with further Summer Covid-19 discretionary funding. There is no risk of a funding deficit and consequently we have advised SFC that we do not require additional funding through the in-year redistribution exercise.

## **10. Capital Expenditure**

The Kingsway development is currently projected to cost £8.229m with a capital/revenue split of £4.798m/£3.431m. A residual capital spend of £3.419m to project completion is allowed in the current year, with the ALF contributing £3.3m and the balance to funded from SFC Capital & Maintenance grant. It is still possible that the portion capitalised may change and we continue to discuss this with our auditors. This would have no effect upon the operating position.

## **11. Cash Flow Forecast**

We now project a greater annual reduction in cash balances from a higher level of operating deficit, coupled with negative working capital movement and loan repayment. However there is a net benefit from the stronger opening position and closing cash balances are projected to be £3.7m, approx. £350K higher than budgeted.

We held cash balances at the end of October of £4m, thanks in part to high levels of restricted funds. The scheduled loan repayment of £457K due in August has not been collected by Santander and we continue to engage with them on this issue in an effort to make good this payment.

## **12. Conclusion**

Uncertainties remain and are appropriately highlighted within these papers. Management will continue to manage the risks identified to the extent that they are within our control. Subject to these limitations, we are confident that the forecast presented is a reasonable estimation of likely outturn for the year at this time.

## **13. Link to Strategic Risk Register**

This report supports in mitigation the following risk identified within the Strategic Risk Register namely;

2.2 – failure to achieve institutional sustainability

**Authors:** Brian Ferguson, Head of Finance

Rhonda Bissett, Senior Management Accountant

**Executive Sponsor:** Jaki Carnegie, Vice Principal – Corporate Services

	2020/21	Month 3			2021/22		
	Actual	Original Budget	Actual	Variance from Original	Original Annual Budget	Forecast Annual Outturn	Variance from Original
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
SFC Credit income	28,912	7,856	7,856	-	31,425	31,425	-
SFC ESF Credits	1,143	257	257	-	1,028	1,028	-
Other SFC grants	4,174	726	1,028	302	3,492	3,964	472
<b>SFC Total</b>	<b>34,229</b>	<b>8,839</b>	<b>9,141</b>	<b>302</b>	<b>35,945</b>	<b>36,417</b>	<b>472</b>
Tuition Fees	3,407	2,348	1,903	(445)	3,740	3,320	(420)
Non-Core income	3,544	480	569	89	2,648	3,048	400
Catering & other income	1,739	299	293	(6)	1,409	1,266	(143)
Foundation donations (revenue)	-	-	-	-	-	-	-
<b>Total Income</b>	<b>42,919</b>	<b>11,966</b>	<b>11,906</b>	<b>(60)</b>	<b>43,742</b>	<b>44,051</b>	<b>309</b>
Teaching Pay - established	15,628	4,084	4,076	8	16,395	16,684	(289)
Teaching Pay - variable	2,577	476	390	86	3,046	2,428	618
Invoiced Staff Costs	349	117	107	10	656	583	73
Teaching Support Pay	2,209	589	574	15	2,448	2,410	38
Support pay	10,984	2,853	2,849	4	11,415	11,829	(414)
Apprenticeship Levy	103	26	26	-	104	105	(1)
VS Scheme	255	-	-	-	-	-	-
Unfunded pension payments	396	99	98	1	398	398	-
<b>Total Pay Costs</b>	<b>32,501</b>	<b>8,244</b>	<b>8,120</b>	<b>124</b>	<b>34,462</b>	<b>34,437</b>	<b>25</b>
Staff related costs	193	44	53	(9)	343	339	4
Consumables & Equipment	921	300	313	(13)	1,518	1,684	(166)
Exam fees	707	75	93	(18)	898	883	15
Student related costs	163	85	175	(90)	477	488	(11)
Property cost	3,196	467	849	(382)	2,513	3,251	(738)
ICT & Telephony	1,394	565	652	(87)	1,630	1,947	(317)
Insurance	117	32	32	-	128	128	-
Marketing	48	43	47	(4)	67	68	(1)
Professional fees	180	18	16	2	107	107	-
General Overheads	228	85	94	(9)	261	267	(6)
Interest & Charges	182	32	34	(2)	130	130	-
VAT	936	169	301	(132)	993	1,176	(183)
<b>Total non-pay costs</b>	<b>8,265</b>	<b>1,915</b>	<b>2,659</b>	<b>(744)</b>	<b>9,065</b>	<b>10,468</b>	<b>(1,403)</b>
<b>Cash-backed surplus/(deficit)</b>	<b>2,153</b>	<b>1,807</b>	<b>1,127</b>	<b>(680)</b>	<b>215</b>	<b>(854)</b>	<b>(1,069)</b>
<b>Add: subsidiary profit/(loss)</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Consolidated Cash-backed surplus/(deficit)</b>	<b>2,155</b>	<b>1,807</b>	<b>1,127</b>	<b>(680)</b>	<b>215</b>	<b>(854)</b>	<b>(1,069)</b>

**Risk Assessment of key volatile areas**

Income/Expenditure Category	Latest Forecast £000's	Possible Cash Deviations		Controllable?	Adverse Risk Assessment			
		Favourable	Adverse		Likelihood	Impact	Overall	Comments and mitigation
		£000's	£000's		£000's	£000's	£000's	
SFC Credit income	31,425	300	400	Generally yes, in terms of delivery, but subject to conditions that are not yet clear.	High	Mid	High	Funding allocations are confirmed by SFC, however, risk of clawback in the event that credits allocated are not delivered remains unclear. The forecast provides for drawdown of an additional 1,000 YPG/TTF Credits, worth £288K from a possible 2,065 (with difference reflected as potential favourable variance). Likelihood of adverse deviation has increased given current credit projections but every possible action will be taken to increase credits and take advantage of YPG/NTTF allocation.
SFC ESF Credits	1,028	-	400	Not beyond our own recruitment and retention.	Mid	Low	Mid	The higher Credit target, taken back from core, increases inherent risk. The college will again seek to identify a sufficiently large number of eligible students but lower recruitment of HN renders this more challenging. Failure to meet the national target will jeopardise the 40% ESF contribution.
Other SFC grants	3,964	100	300	Yes, however subject to market demand for FWDF training	Low	Mid	Low	The reduced FWDF forecast automatically lowers risk, as does strong focus from the Economic Partnership team and extra capacity from Associate Trainers. Covid still presents an obstacle to demand and delivery however. For most other funding elements within this category movement will be matched by cost.
Tuition Fees	3,320	100	200	Yes, in terms of marketing, recruitment delivery and retention but limited influence over demand.	Low	Mid	Low	The reductions made in this forecast removes risk of further adverse movements. However we have not yet passed the cut-off date for payment of full-time fees by SAAS and ongoing part-time recruitment may still be impacted by Covid.

Income/Expenditure Category	Latest Forecast £000's	Possible Cash Deviations		Controllable?	Adverse Risk Assessment			
		Favourable	Adverse		Likelihood	Impact	Overall	Comments and mitigation
		£000's	£000's		£000's	£000's	£000's	
Non-Core income	3,048	200	200	Partly; varies across such a disparate category.	Low	Low	Low	Residual or continuing risk from Covid remains a possibility. Apprenticeship income is always subject to satisfactory outcomes but contract extensions and more detailed forecasting provides greater assurance, Risk is mitigated however by prudent assumptions. Reduction in non-commercial elements have limited net impact when matched with direct costs.
Catering & other income	1,266	100	200	Yes, subject to Covid restrictions.	Low	Low	Low	Although there is potential to increase future predictions, equally continued Covid restriction could further reduce.
Total Pay (exc. VSS & unfunded pensions)	34,039	100	200	Largely yes, subject to increased teaching demand and national agreements.	Mid	Low	Low	The detailed forecasting provides more certainty, however more variable teaching hours in excess of current contingency could yet be required to deliver additional credits. Pay provisions no longer seem quite so prudent given current inflation and is out with our control.
VSS	-	-	150	Yes	Mid	Low	Low	Relaunching the scheme will likely incur cost this year, generating future savings. Adverse value is somewhat arbitrary.
Property cost	3,251	100	200	Yes, subject to inherent risks of the usual unpredictable factors.	Low	Low	Low	Despite strong facilities management, property carries inherent risks of unscheduled repairs and price rises. Fluctuation in works costs will arise with funding but usually with no net impact on operational performance. Utility prices may increase from April beyond forecast levels.
Non-pay costs excluding property	7,217	100	200	Yes, with limited exceptions.	Low	Low	Low	Forecast costs have been confirmed with budget holders. Inflationary pressures may exceed provisions but generally we would anticipate that substantial movements would be matched by funding.

## Cash Flow Forecast

	2020/21	2021/22		
	Actual	Actual October	Annual Budget	Revised Forecast
	£000's	£000's	£000's	£000's
<b>Cash backed surplus/(deficit)</b>	<b>2,155</b>	<b>1,127</b>	<b>215</b>	<b>(854)</b>
Loan repayment	(457)	-	(457)	(457)
Capital Expenditure	(1,568)	(1,205)	(4,743)	(3,454)
Capital funding	1,568	1,205	4,743	3,454
Asset Disposals	11	-	-	-
Working capital movements	386	(2,930)	(800)	(800)
<b>Net Movement in cash balances</b>	<b>2,095</b>	<b>(1,803)</b>	<b>(1,042)</b>	<b>(2,111)</b>
Opening cash balances	3,758	5,853	4,425	5,853
<b>Closing cash balances</b>	<b>5,853</b>	<b>4,050</b>	<b>3,383</b>	<b>3,742</b>

### Note

We hold restricted cash funds, excluding normal working capital movements, of approx. £2.5m at 31 October.

Surplus student support funds from all sources totals approx. £1m

The Santander loan instalment of £457K due in August has not been claimed to date.

Negative movement in working capital arises mainly from full-time fees generated ahead of payment by SAAS.



**JOINT AUDIT & RISK,  
FINANCE & PROPERTY COMMITTEE**



**Tuesday 7 December 2021**

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**Estates & Infrastructure**

**19.1 Estates Update**

**PAPER R**

**BOARD OF MANAGEMENT**  
**Finance & Property Committee**  
**Tuesday 7 December 2021**



**Estates Update**

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*Paper for information*

**1. Introduction**

This paper provides an update on estates related activity since the last report to the committee.

**2. Recommendations**

Members are asked to note the report.

**3. Capital Backlog Maintenance Projects**

The majority of the 2021-22 Capital Backlog Maintenance Grant has been allocated to the Kingsway Tower Project for the mechanical and electrical infrastructure and internal and external fabric. We have however identified a small number of other backlog maintenance projects that we intend progressing between now and the end of March 2022 with the remaining budget.

**4. Kingsway Tower Project Update**

The Kingsway Tower – Hair, Beauty & Complementary Therapy new build project has progressed well over the last 3 months with the building just about wind and watertight. Significant construction work internally has also been progressed along with the first fix of the mechanical and electrical infrastructure.

Progress on removing the existing lecture theatre roof slab has been slow due to the removal method, and unfortunately asbestos has now been discovered fixed to the lecture theatre ring beam. The existing ring is being removed as part of the roof removal and the demolition contractor is reviewing the safest, quickest and most cost effective way of dealing with the issue. It is hoped that this will not delay the progress of the roof removal for too long, and that it will be completed shortly. The replacement roof installation will commence thereafter.

The project remains on target for completion by the end of April 2022.

## 5. The Tay Cities Engineering Partnership

Work to create the new Advanced Manufacturing facility in our Arbroath campus is making steady progress with our in-house team progressing the mechanical and electrical installation. We are also now in receipt or returned tendered prices for other project elements – joinery, suspended ceilings, flooring and painting and decoration, and contractor appointments for these will now be made.

We have also now received the completed design for the new entrance structure for the new facility and this will now be sent for tender via the Public Contracts Scotland framework.

The new facility is scheduled be completed in March 2022.

## 6. Climate Emergency Action Plan

The College has officially launched our Climate Emergency Action Plan – Our Path to Net Zero.

The action plan is aligned to the Scottish Government's commitment to reduce Scotland's emissions of all greenhouse gases to net-zero by 2045 at the latest. Our College is also committed to achieving net-zero, but are targeting to achieve this by 2040 or earlier and our Climate Emergency Action Plan sets out the key areas of focus over the next 5 years to start us on our journey to Net Zero.

We have centred our plan around the five roadmap elements of the Climate Commission and Nous Group's *Climate Action Roadmap for UK FE Colleges* - **leadership & governance, learning & teaching, estates & operations, partnerships & engagement** and **data collection**. Using the 5 ROADMAP elements, we have established key objectives and targets for each one that forms the basis of this Climate Emergency Action Plan (CEAP). This will in turn set out the College's strategy for reducing carbon emissions over the next five years and our clear first steps to our PATH TO NET ZERO.

We are determined to build on our significant successes since 2010, when we first signed up to the Universities and Colleges Climate Commitment for Scotland (UCCCfS). Back in 2010, our carbon emissions were calculated to be 6,332 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e). Since then, we have consistently exceeded the carbon reduction targets we had set and by the end of 2019/20 session our emissions had been reduced by 61.6%, -3,904 tCO<sub>2</sub>e.

Our Board have a key role to play in the college achieving its net zero ambition, not least around the Leadership & Governance objectives and targets.

While the plan is to discuss the action plan in more detail at the full Board meeting in December, moving forward the intention will be to provide progress updates for the action plan at each Finance & Property Committee meeting.

## 7. Awards

The College was recently shortlisted for a Green Gown Award for our fantastic Period Positive project in the Student Engagement category. On this occasion, we were unsuccessful, although this was an excellent submission and a project that the College and in particular Katie Baxter and her brilliant learner engagement team should be very proud of.

The same project has also been shortlisted in the Sustainability category at the upcoming College Development Network Awards in December.

The College has also been shortlisted in the Sustainability category at the prestigious Scottish Public Service Awards taking place in the Scottish Parliament also in December for our '**Going Green the D&A Way**' submission.

## 8. Link to Strategic Risk Register

Progressing these Estates projects and initiatives will support the mitigation of a range of risks identified within the Strategic Risk Register namely;

- 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

**Author:** Billy Grace, Head of Estates

**Executive Sponsor:** Jaki Carnegie, Vice Principal – Corporate Services



**JOINT AUDIT & RISK,  
FINANCE & PROPERTY COMMITTEE**

**Tuesday 7 December 2021**

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**Estates & Infrastructure**

**19.2 Cloud First Update**

**PAPER S**

**BOARD OF MANAGEMENT**  
**Finance & Property Committee**  
**7 December 2021**



## **Cloud First Strategy at D&A College**

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### ***Paper for information***

#### **1. Overview**

Following the Audit & Risk Committee meeting of 18/5/21 it was agreed that oversight of implementation of the long-term cloud first strategy would be undertaken by the Finance & Property Committee.

As part of the ICT spending paper produced for Finance & Property Committee in April 2019 there was a strong focus on building digital services to help deliver our digital strategy. One of the key enablers to be able secure that vision is around Cloud technology and delivery of a Cloud First strategy.

As part of this digital strategy, we plan to transition from a cloud-first strategy to a cloud-only strategy with the end goal of having no on-campus Data Centre by 2025. This is because there are many benefits to a cloud migration including service resilience, agility, availability and cost.

From the ICT spending plan the only remaining high level action is to replace our network infrastructure, this is outside the scope of this paper, but the expectation is that the tender will go ahead at the end of the current session with implementation over the next year, budget allowing.

#### **2. Recommendation**

Members are asked to note the report.

#### **3. Background**

The benefits to the College of a Cloud First are numerous and we have already started to benefit from this approach. Underneath this high-level Cloud category this is broken down into 3 distinct categories of service delivery

- Software as a Service (SaaS) – the service is entirely managed by the vendor, to use the service college stakeholders browse to appropriate location with their web browser
- Platform as a Service (PaaS) – the underlying supporting services e.g., server installation, storage, network etc is managed by the vendor and the College manage the actual application
- Infrastructure as a Service (IaaS) – the physical hardware is managed by the vendor, but the supporting services and application are managed by the College

Ideally the College would leverage SaaS in all scenarios, however, this isn't always possible due to either the vendor not being advanced with their cloud roadmap, or the service is an in-house bespoke application with no vendor support.

Due to the onset of Covid-19 and the impact of the Cyber Attack in January 2020 this enabled the college to fast track some of the changes that we had been proposing to implement over several years. In the past 2.5 years we have migrated the following solutions to Cloud services

- |   |                                      |
|---|--------------------------------------|
| - Phone System                          | - Wi-Fi management                   |
| - Departmental and Personal File Shares | - Backup solution                    |
| - Staff Portal                          | - Income Management solution         |
| - Student Portal and App                | - BACS payment solution              |
| - HR and Payroll system                 | - ICT Asset Management               |
| - Library Management System             | - Identity Management                |
| - Conference Calling System             | - College Helpdesk                   |
| - Device Management                     | - Email (from hybrid to fully cloud) |
| - Anti-Virus protection                 | - Hotel Management Training Software |

Data Governance is an area which has concerned organisations in the past when it has come to Cloud services. This is because we move the data to be a under a third parties' control. The physical and digital data security in place in the AWS and Microsoft data centres will far exceed anything the College can offer. Additionally, we mitigate this risk by mandating third parties who hold our data to complete a Cloud Risk questionnaire and sign a Data Sharing Agreement or equivalent terms and conditions to ensure the College's data is being managed securely.

There are many benefits to cloud migration including service resilience, agility, availability and cost. The last of these is a controversial subject as the cost benefit is only realised when looking at total cost of ownership rather than only the obvious direct costs. The financial element only starts to be realised when traditional on-premise supporting services e.g., physical processors and storage, reach their end of life and require a capital investment which is no longer required. A benefit of the strategy can be seen in obvious terms with the physical storage purchased in 2017. The College, quite rightly, specified the hardware required to account for growth in the amount of data we stored. 400TB of storage was purchased but we only require 100TB (and this reduces month on month). If we were to renew this on-premise storage now there would be a significant saving. Additionally, the processing power requirement has greatly reduced. Eight of our server "blades" are at the end of their life but rather than replacing like for like we are retiring these, and the remaining blades will cope easily with the expected load.

#### **4. Current Position**

Progress on our roadmap is now being impacted by vendors. The Scottish Further Education sector is very small, so we struggle with getting suppliers to invest heavily in research and development, but they all have a roadmap towards the cloud. Where opportunities present themselves and they provide value for money we will take the opportunity to leverage this service.

We do however have several ongoing projects

- Virtual Desktop. The intention was to retire the virtual desktop service last year due to the reduced benefit of the service with all staff having high powered laptops to enable working from home and the improved security we can deliver. Unfortunately, due to the lack of R+D with specific vendors we need to support staff using certain applications which don't work well over slower home broadband. When we have transitioned our core business systems to SaaS solutions a virtual desktop solution will no longer be required. To meet this requirement, in the interim, we are implementing Azure Virtual Desktop which moves the virtual desktop into the Cloud and out of our data centre. It's been piloted and now rolling out; the program is due to be completed by April 2022
- In-house development is being piloted in a PaaS environment where supporting services are all in the cloud. We have around 10-15 applications for which we have a roadmap for each to either move to a commercial off the shelf application or move to PaaS
- Forms. We are transitioning all our forms over to cloud solutions
- IaaS. Infrastructure as a Service is necessary for the College to allow delivery of the strategy. If a supplier doesn't offer a SaaS or PaaS solution, we still have it hosted on-campus. We can't allow this to be a block for our aim of retiring our data centre in the next 3-5 years so are piloting services being stored in the Cloud as IaaS.
- Device Management. Our outgoing device management solution is on-premise and as a result when everyone started working remotely, we could no longer manage devices effectively. We are rolling out a cloud management solution which means we can effectively manage our devices regardless of location. It also means we can actively block devices which aren't patched and create a self-service store to enable apps to be installed by end users. This will be rolled out gradually during this session and full roll out complete in summer 2022.

## 5. Future Work

Our main obstacle going forward is that most of our core business systems are on-premise, and the vendors we use don't offer a SaaS solution. These are

- Student Management System
- Course Application Management System
- Student Funding System
- Timetabling
- Finance and procurement system

The first four of these systems should ideally merge into a single application delivered through SaaS. However, such a solution does not currently exist in Scottish FE. We are working with APUC to create a framework and are leading on both the functional and non-functional elements of their national procurement program for a Student Management System. By leading on this procurement at a national level we can steer this project to ensure it meets the needs of D&A College. The aim is to either attract a "disrupter" vendor into the market or push legacy vendors to re-invest in their product.

Separately, a review of Finance Systems will commence in the new year to investigate whether the benefits of moving to a replacement SaaS solution would outweigh the disruption that this change will create within the organisation.



## **6. Link to Strategic Risk Register**

Progressing this ICT project and initiative will support the mitigation of a range of risks identified within the Strategic Risk Register namely;

- 3.8 – Breach of data security/data protection
- 4.1 – Disasters e.g. Fire, MIS Failure, Failure of Emergency Procedures
- 4.3 – Breach of ICT/Cyber Security
- 4.4 – ICT infrastructure fails to support effective data security / data protection

**Author:** Andy Ross, Head of ICT

**Executive Sponsor:** Jaki Carnegie, Vice Principal – Corporate Services

**JOINT AUDIT & RISK,  
FINANCE & PROPERTY COMMITTEE**



**Tuesday 7 December 2021**

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**2022 / 2023 Fees Policy**

**PAPER T**

# BOARD OF MANAGEMENT

## Finance and Property Committee Fees 2022/23



### *Paper for discussion/approval*

#### 1. Introduction

This paper outlines the rationale for the recommended programme fees for academic year 2022/23. It is proposed that we do not increase fees for next Academic Year, although due to the new residency/visa requirements we would like to introduce an International Fee for short full-time programmes. The Appendix shows the proposed fee levels for 2022/3.

#### 2. Recommendation

It is recommended that the Finance & Property Committee approve that the fees for 2022/23 remain the same as the current year 2021/22.

#### 3. EU and Rest of UK Fees

##### **Full time fees**

These fees are set nationally.

##### **Part Time fees**

It is recommended that no specific increase be made for session 2022/23, in response to the pandemic curriculum have reviewed the portfolio and are now offering a number of new on campus and remote delivery programmes to support economic recovery.

In comparison to our neighbouring colleges our current fees continue to be at the higher end of the range.

We are also trying to maximise funding initiatives such as Young Persons Guarantee and the National Transition Training Fund. The number of these funding opportunities available has prohibited the number of students willing to pay for training which supports our rationale for no increase in session 2022/23.

#### 4. Commercial Programme

It is recommended that no specific blanket increase be made for session 2022/23.

The rationale is similar to that for part time fees and the economic challenges that the Region is facing. It is proposed that further analysis of our commercial pricing strategy to be completed in session 22/23, reviewing the factors that influence this.

As with 2021/22, where there are specific products or portfolios that offer the opportunity to enhance fees the usual factors that influence any pricing strategy will be taken into account;

- level of competition
- perceived value of the product
- product development cost
- economic trend
- level of market demand
- demographics
- socio-economics of targeted customers

## **5. International Fees**

Accelerated HN programmes have been added to our portfolio therefore it is proposed that they are classed as short full-time Students will achieve the full qualification therefore the full-time fee of £7,500 be charged for these programmes.

Changes to residency and visa requirements is showing an increase in International students wishing to undertake a short full-time programme which was not covered in previous fees policy. It is proposed a fee of £3,750 is levied for this study mode.

Our portfolio is now offering a number of remote delivery programmes which are showing to be attractive with our overseas market. We would not be able to draw down credit for these students and therefore it is proposed a fee of £500 for this type of delivery.

## **6. Conclusion**

As we continue to progress through the pandemic it was felt appropriate to focus our efforts on accessing the various funding initiatives and ensure our new offerings continue to support economic recovery and reskilling as opposed to increasing fees.

**Author:** Leann Crichton, Head of Administrative Operations  
**Executive Sponsor:** Jaki Carnegie, Vice Principal – Corporate Services

	<b><u>2022/2023</u></b>	<b><u>NOTES</u></b>
<b>1 EU &amp; Rest of UK (RUK) Students</b>		
<b>1.1 Full-time (including ESOL)</b>		
Advanced (Degree Equivalent)	£1,820	Eligible students will be entitled to have tuition fees paid by SAAS.
Advanced (Higher National or Equivalent)	£1,285	
Non-Advanced (inclusive of Assessment/Examination Fees)	£1,008	Eligibility for full-time Fee Waiver will be routinely determined via the Application and Registration process.
<b>1.2 Part-time – Traditional (Core)</b>		
HNC/D programmes	£740	This charge will be per academic session for programmes studied over 2 years.
PDA Programmes Up to 3 credits	£250 - £420	Each programme costed individually, variances are on teaching materials required.
4 – 6 credits	£450 - £700	
Over 6 credits	£750 - £1,200	
Higher & National 4/5 programmes	£480	Fee per course inclusive of SQA costs.
All other core part-time programmes – Single credit model.	£140	Students charged for the number of credits they are undertaking.
Per student hour	£3.50	Inclusive of assessment but subject to examination/presentation costs.
<b>1.3 Part-time – Commercial</b>		
Commercial PDA – fee per unit.	£600	Per costing policy. Additional assessment may incur charges.
Commercial Training Hourly Rate (including VQs, MAs & Lets)	£75	
<b>1.4 Re-Assessment Charges</b>		
Fee per Single Credit	£50 £3.50 p/h	Appropriate external charges/fees including Additional Assessment (AAA) may be added if applicable

	<u>2022/2023</u>	<u>NOTES</u>
<b>1.5 No Recognised Qualification Programmes</b>		
SFC credit funded courses to be costed at hourly rate <u>plus</u> the full cost of any course materials.	£3.50 p/h	
Non SFC credit funded courses to be costed at hourly rate plus the full cost of any course materials.	£7.00 p/h	
<b>1.6 Overseas Students (Non EU)</b>		
Full-time programmes (including accelerated HNs)	£7,500	
Short full-time FE	£3,750	
Remote Delivery programmes	£500	
All other programmes – per single credit	£700	

**JOINT AUDIT & RISK,  
FINANCE & PROPERTY COMMITTEE**



**Tuesday 7 December 2021**

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**Procurement**

**21.2 Procurement Update**

**PAPER U**

# BOARD OF MANAGEMENT

## Finance and Property Committee

### 7 December 2021



## Procurement Report

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### *Paper for noting /approval*

#### 1. Introduction

Section A - Procurement Update / Contract Awards, provides information on the contracts that have been awarded during the period from September 2021 – December 2021. Prior periods were covered in previous quarterly procurement reports.

This section also includes approval requests and retrospective approval for Non-Competitive Awards (NCAs)

Section B - Planned Contracting Requiring Approval, includes a list of contracts where the aggregated spend over the contract term is likely to exceed £100k (inclusive of non-recoverable VAT) and including call-off contracts under Framework Agreements let by other authorities, such as APUC, Scottish Procurement and Crown Commercial Services.

This section also covers local contracts to be awarded over 25K following the College's own tendering process.

Section C – Planned Procurement and Recent Awards for Noting, provides a list of proposed or awarded contracts that are greater than £50k in value but less than the recently revised threshold of £100k (Chairs of Board and Finance & Property Committee) as laid out in the College Financial Regulations.

Values exclude VAT unless otherwise stated.

#### 2. Recommendation

Members are asked to:

- a) note the recently awarded contracts.
- b) approve and or retrospectively approve Non-Competitive Awards.
- c) approve any additional anticipated procurements not already included in the Annual Planned Procurement Report submitted to the Committee in September 2021.
- d) note the planned procurement activity not previously reported.

**Author:** Annemarie Hannaway, Procurement Manager  
**Executive Sponsor:** Jaki Carnegie, Vice Principal - Corporate Services



**Section A - Procurement Update / Contract Awards / Extensions: Sept – Dec 2021**

<b>Contract name</b>	<b>Data Links</b>
Route to Market	Mini-Comp JISC Framework
Successful Bidders	The Networking People (TNP)
Contract Value	£87,272
Award Date	02/11/2021
Start Date	02/11/2021
Contract Period	3 Years

<b>Contract name</b>	<b>Catering Equipment</b>
Route to Market	Mini-Comp APUC Framework
Successful Bidders	Kitchequip
Contract Value	£156,347
Award Date	01/10/2021
Start Date	01/10/2021
Contract Period	One Off – Est completion 3 months

<b>Contract name</b>	<b>Hybrid Classrooms (new)</b>
Route to Market	Direct Award Call Off from APUC Framework
Successful Bidders	Mediascape
Contract Value	£82,933
Award Date	19/10/2021
Start Date	19/10/2021
Contract Period	One-Off – Est completion 3 months

<b>Contract name</b>	<b>Taxi Services – Extension of Existing Framework</b>
Route to Market	Local Framework Collaboration with D&A, Abertay University, Dundee University and Angus Council
Renewed Suppliers	Tele Taxis, Links Cabs
Contract Value	Variable on Demand
Contract Period	Extension of Previously awarded contract for 2yrs in compliance with SPPN 6/2020 to 06/07/2023

**Retrospective approval requests for Non-Competitive Awards**

The process for College non-competitive awards is Vice Principal Corporate Services sign-off prior to commitment.

<b>Contract name</b>	<b>Kingsway Lift Repair and Upgrade</b>
Requester and Department	Head of Estates
Supplier Name	Thyssen (Current Supplier)
Contract Value / Estimated	£44,960
Contract Period	One Off
Brief Description of Product or Service	Refurbishment / Repair of Kingsway Lift
Justification for NCA	Estates have presented a justification that it is an urgent

	Requirement.
Approver	Vice Principal Corporate Services

<b>Contract name</b>	<b>UniTrain System</b>
Requester and Department	Energy Skills Partnership
Supplier Name	Lucas-Nülle
Contract Value / Estimated	69.090 Euros
Contract Period	One Off Purchase
Brief Description of Product or Service	Computer-based training and experimentation system for vocational training and education.
Justification for NCA	Sole supplier of specialist product
Approver	ESP Director

<b>Contract name</b>	<b>Car Train System</b>
Requester and Department	Energy Skills Partnership
Supplier Name	Lucas-Nülle
Contract Value	77.726 Euros
Contract Period	One Off Purchase
Brief Description of Product or Service	Hybrid and electric vehicles training system.
Justification for NCA	Sole Supplier of Specialist product
Approver	ESP Director

### **Section B - Planned Contracting Requiring Approval**

There are no outstanding planned contracts requiring approval.

### **Section C – Planned Procurement and Recent Awards for Noting**

#### **Advanced Engineering and Manufacturing Facility Update**

Approval and comments on procedures to be carried out for the Advanced Engineering and Manufacturing Facility (Total Project Valued at £163k + VAT) was received at the previous Finance & Property Committee.

Outlined below is a list of any changes or additions to those approvals for noting and or approval where applicable:

Building Work – The Committee opted for Open Tender for Building Works. The Head of Estates determined that these works, estimated originally at £50k plus VAT, would be disaggregated and split into the following elements: Builder's work, Decoration, Flooring, Suspended Ceilings and Fire Alarm Installation. With the exception of Fire Alarm system to be directly awarded to the incumbent supplier, a number of local contractors were invited to provide quotation for each of the individual lots.

Equipment – There is a budget of up to £515K, including VAT, available to equip the facility from The Tay Cities Engineering Partnership, with £198K projected to be spent by 31 March 2022 and the balance within the subsequent fiscal year to March 2023. A

specification is being prepared and an Open Tender will be conducted, in accordance with, and subject to approval of, the Full Business Case that is due to be finalised in December.

### **MSIP Skills Academy Robotics Equipment**

The College has successfully secured a grant of £100,000 from The Mathew Trust towards the purchase of Robotics Training Equipment. A specification and a procurement route has yet to be decided.

**JOINT AUDIT & RISK,  
FINANCE & PROPERTY COMMITTEE**



**Tuesday 7 December 2021**

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**Strategic Risk Register**

**PAPER V**

**22.1 Strategic Risk Register**

**22.2 COVID-19 Risk Register**

# BOARD OF MANAGEMENT

## Finance & Property Committee

Tuesday 7 December 2021

### Strategic Risk Register Update

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#### *Paper for approval*

#### **1. Introduction**

This paper presents the Finance & Property related Strategic Risks for review and consideration, with any proposed changes being presented to the Audit & Risk Committee for approval.

This meeting will again consider the following particular risk: 2.2 Failure to achieve institutional sustainability

#### **2. Recommendation**

Members are asked to review the risks and ratings and identify if there are changes that would be proposed, including identifying if there are emerging risks that should be considered. Any proposed changes would be advised to the September 2021 Committee of the Audit & Risk Committee.

#### **3. Risk 2.2 - Failure to achieve institutional sustainability**

The Budget Monitoring and Forecast agenda item will form the basis of the information for consideration of this risk.

#### **4. Review of Risks Allocated to the Committee within the Strategic Risk Register**

As reported previously given the current COVID-19 pandemic, an additional “temporary” COVID-19 Strategic Risk Register has been developed to record any additional risks associated with identified areas of College operation at the current time.

**Executive Sponsor:** Jaki Carnegie, Vice Principal – Corporate Services



# STRATEGIC RISK REGISTER

2021 – 2022

**FPC ONLY**

As at November 2021

<b>Post Holders</b>	ELT	Executive Leadership Team	Prin	Principal	<b>Score</b>	<b>Impact</b>	<b>Likelihood</b>
	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	Responsibility
<b>2 Financial</b>										
<b>2.1 F&amp;P</b>	Change in SFC Funding Methodology and Allocation – Reduction in Funding	3	3	9	<ul style="list-style-type: none"> <li>Negotiation/influence at national level</li> <li>Contingency plans for reduced funding</li> </ul>	2	3	6	<ul style="list-style-type: none"> <li>Advance modelling of new funding methodologies and allocations</li> <li>Monitoring impact of changes</li> <li>Amendment of strategic or operational direction/plans</li> <li>Financial strategy sensitivities</li> </ul>	VPCS
<b>2.2 F&amp;P</b>	Failure to achieve institutional sustainability	5	4	20	<ul style="list-style-type: none"> <li>Protection of funding through dialogue with SFC</li> <li>Robust annual budget-setting and multi-year financial strategic planning</li> <li>Effective budgetary control</li> <li>Where required, swift action to implement savings</li> </ul>	4	3	12	<ul style="list-style-type: none"> <li>Monthly monitoring of budgets</li> <li>Regular review of financial strategy and non-core income sensitivity</li> <li>Detailed monitoring of savings programmes</li> </ul>	VPCS
<b>2.3 F&amp;P</b>	National outcomes on salaries and conditions of service outstrip ability to pay	4	4	16	<ul style="list-style-type: none"> <li>Influence within Employers Association</li> <li>Management of staffing expenditures</li> </ul>	4	3	12	<ul style="list-style-type: none"> <li>Expenditure modelling</li> <li>On-going discussions with staff</li> <li>Financial strategy sensitivities</li> <li>Workforce planning</li> </ul>	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

<b>Post Holders</b>	ELT	Executive Leadership Team	Prin	Principal	<b>Score</b>	<b>Impact</b>	<b>Likelihood</b>
	SLT	Senior Leadership Team	DirC&A	Directors of Curriculum & Attainment	1	Routine	Remote
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	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
<b>2</b>	<b>Financial (cont)</b>									

<b>2.5</b> <b>F&amp;P</b>	D&A Foundation refuses/withholds funding for key College priorities	5	3	15	<ul style="list-style-type: none"> <li>On-going dialogue with Foundation Trustees</li> <li>Appropriate bid arrangements in place</li> </ul>	3	2	6	<ul style="list-style-type: none"> <li>Monitor and advise Board of Management</li> </ul>	Prin & VPCS
<b>2.6</b> <b>F&amp;P</b>	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"> <li>Multi-year estates strategy and capital planning</li> <li>Lobbying of SFC on capital and backlog maintenance funding</li> <li>Planning for D&amp;A Foundation bids</li> </ul>	2	2	4	<ul style="list-style-type: none"> <li>Monitoring of capital plans and expenditures</li> <li>Regular review of capital plans/timescales relative to funds</li> </ul>	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



<b>Post Holders</b>	ELT	Executive Leadership Team	Prin	Principal	<b>Score</b>	<b>Impact</b>	<b>Likelihood</b>
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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
<b>4</b>	<b>Infrastructure</b>									
<b>4.2 F&amp;P</b>	Failure to achieve ambitions of Digital strategy; strategy and development is ineffective	4	3	12	<ul style="list-style-type: none"> <li>Planning, careful phasing of changes to processes and systems</li> <li>Effective management of ICT arrangements</li> <li>Clear investment plan</li> </ul>	4	2	8	<ul style="list-style-type: none"> <li>Regular review/reporting on milestones, systems effectiveness etc</li> <li>Regular CPD</li> </ul>	VPC&A, HoICT

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



# STRATEGIC RISK REGISTER COVID 19 SPECIFIC MITIGATIONS

2021 – 2022

FPC ONLY

As at November 2021

<b>Post Holders</b>	ELT	Executive Leadership Team	Prin	Principal	<b>Score</b>	<b>Impact</b>	<b>Likelihood</b>
	SLT	Senior Leadership Team	DirC&A	Directors of Curriculum & Attainment	1	Routine	Remote
	Board	Board of Management	HoICT	Head of ICT	2	Minor	Unlikely
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Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS				TREATMENT	POST MITIGATION EVALUATION				
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Responsibility
<b>2</b>	<b>Financial</b>									
<b>2.2</b> <b>F&amp;P</b>	Failure to achieve institutional sustainability	5	4	20	<ul style="list-style-type: none"> <li>Protection of funding through dialogue with government, SFC and other funders</li> <li>Robust and effective budgetary control</li> <li>Where required, swift action to implement savings</li> <li>Increased focus on cash position</li> </ul>	4	2	8	<ul style="list-style-type: none"> <li>Monthly monitoring of budgets</li> <li>Engagement with government and other partners</li> <li>Detailed monitoring of income optimisation and savings programmes</li> </ul>	VPCS

**JOINT AUDIT & RISK,  
FINANCE & PROPERTY COMMITTEE**



**Tuesday 7 December 2021**

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**VP Corporate Services Report**

**PAPER W**

**BOARD OF MANAGEMENT**  
**Finance and Property Committee**  
**Tuesday 7 December 2021**



**Vice Principal Corporate Services Report**

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*Paper for information*

**1. Introduction**

This report brings to the Committee's attention matters, which are not covered by other agenda items.

**2. Recommendation**

Members are asked to note the contents of this paper.

**3. Scottish Funding Council Update**

The SFC announced the following funding:

Publication	Topic	Allocation
SFC/GD/25/2021	<a href="#">NTTF and YPG in colleges AY 2021-22</a>	
	YPG Credit Funding	£231,695
	YPG Development Funding	£28,654
	NTTF Credit Funding	£366,273
	(overall increase of £87,352)	
SFC/AN/28/2021	<a href="#">Free Period Products</a>	£22,500

**4. Supporting Our Learners**

Full-time recruitment has been a challenge this session we are approximately 600 learners down on previous sessions despite everyone's efforts in recruitment. Retention continues to be the focus for the team ensuring every learner feels supported and can access their class materials remotely if required. The Help Point team have worked closely with Student Association and Learner Engagement teams on retention exercises, in one week alone they completed over 450 personal phone calls to learners to ensure they felt supported and are able to continue with their classes. As part of this exercise Microsoft Teams was also used as a communication tool this proved to be extremely successful with students responding rapidly therefore it is now being used throughout Administration Services.

Our January offering has been enhanced this session, to offer new accelerated HNCs and each curriculum area has a Fast-track programme open for applications. For the first time we are continuing with our school leaver pledge for our January full-time programmes, this will hopefully boost our recruitment figures.

The whole team have been working with the curriculum teams on the 2022/23 portfolio and are now carrying out the preparation work within our systems and processes to ensure our provision is live on the website for mid-December with applications opening on 17<sup>th</sup> January 2022.

Work has also been ongoing with LDR to streamline the onboarding process for our Getting Ready offering to applicants with an offer to study in January. This provision received positive feedback last session therefore it is hoped with an easier onboarding process more students will take up the offer. It is planned for communication to be released to candidates on 26<sup>th</sup> November.

Extensive work with the curriculum teams and LDR to launch our Skills Boost offering of 22 programmes starting on 1<sup>st</sup> November with a further 30 programmes due to launch by end of January. Whilst last session our free programmes generated substantial interest the conversion to completion was not so successful therefore, we have introduced tailored communication, one system for registration and access to the course materials within 24 hours. (This is also referenced in the Economic Recovery Update.) Ongoing work continues to monitor the engagement and completion rates of our 1<sup>st</sup> November offering.

The Student Funding team's processing timelines have been exceptional this session, the maximum waiting time has never exceeded 2 weeks and processing has been real-time since just before the October break. This has allowed the team to support the Help Point staff on chasing students with outstanding documents or unsubmitted applications much earlier in their learning journey. The team are working with Student Services on a plan to offer our Universal Credit students a one-off payment at Christmas and launch a Winter Fuel Assistance campaign in January. It is hoped this will aid retention and support students in direct financial hardship at a time of year we would traditionally see an impact on retention.

Within our Operation Support team, we are seeing a return of commercial programmes being delivered and venue hires, with several requests now for session 2022/23. The team continue to work with various departments to support the completion of the FWDF, Foundation Apprenticeship, Modern Apprenticeship and ESF paperwork requirements to ensure we are maximising those funding opportunities.

The next few months will continue to be challenging adapting our service arrangements for our hybrid teaching and services working model. January recruitment and retention will be the key focus for the whole team.

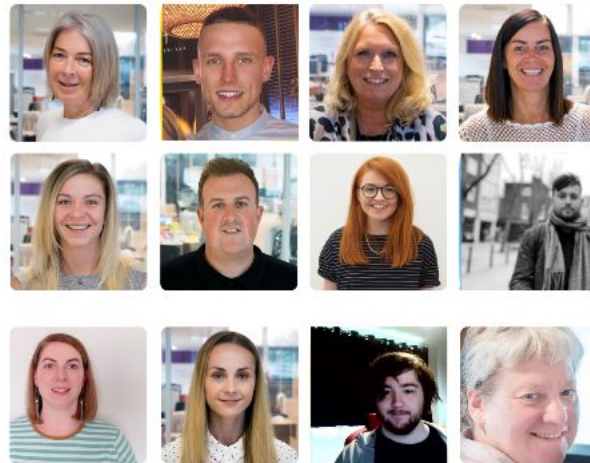
## **5. Service Design Academy Update**

**SDA is 4** years old this month and it's hard to believe that only 48 months ago SDA were just setting out on the journey with 1 Full-Time and 3 Part-Time members of staff, offering the first Unit of the Professional Development Award in Service Design to a Pilot Group. How times have changed and what a 4 years it has been! The team has grown to 7 Full-Time, 1 Part-Time, 2 Job Share, 1 PTV a Kickstart, and in the summer, supported a Student Placement from the Design for Business programme at DJCAD.



## SDA Team 2021 🙌

- ✓ New faces
- ✓ New perspectives
- ✓ New expertise
- ✓ New opportunities



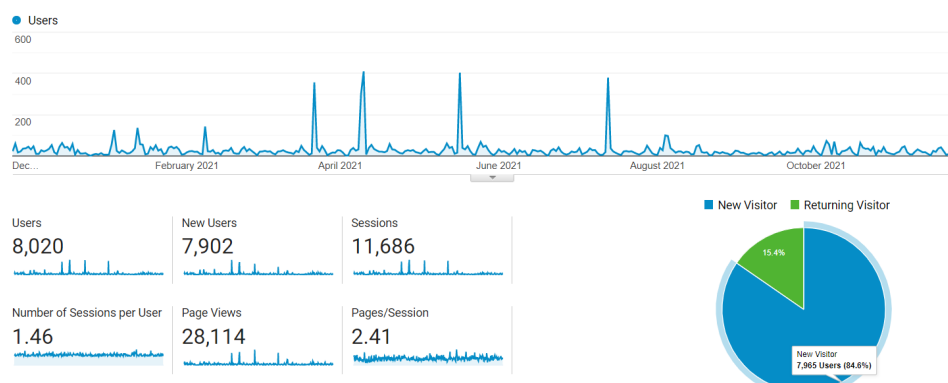
From the USP of the first, and only, accredited Service Design Award at its level, SDA added 7 courses for business, delivered **530 workshops, to over 5,000 people from 450 organisations**. SDA were the first organisation in the world to receive **Service Design Network Organisational Accreditation** in 2019 and this has undoubtedly played a part in attracting customers. SDA reached the Top 3 in the Digital Leaders **Public Service Innovation of the Year Award** in 2021 from a pool of 775 entries for Designing Online Learning.

The team have had the opportunity to develop and extend their skills through Design Leadership, Accessibility and Inclusive Experience Design, Design for Planet, Design Ops, Agents for Change, and the Service Design Network's Global Conference.

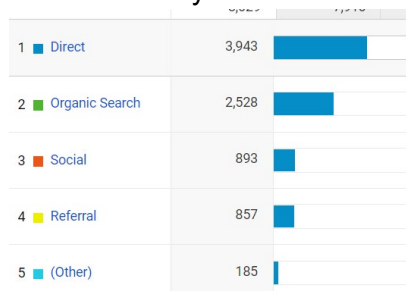
The SDA team are building a supportive and productive relationship with the Business Engagement Team and are delivering training to businesses through Flexible Workforce Development Funding and other SME Funding packages.

SDA social media presence is growing with **3,674 followers on LinkedIn, 2,995 on Twitter and just under 2,000 on Instagram**. SDA worked on design challenges with clients from strategic to street level and are now presenting their work at national and global conferences including Service Design in Government, Digital Leaders, and the European Organisation Design Forum.

Our new **website** launched in late November 2020



### Where did they come from?



### What were they looking for?

<input type="checkbox"/>	1. /	9,246 (32.54%)
<input type="checkbox"/>	2. /courses-for-individuals/	4,040 (14.22%)
<input type="checkbox"/>	3. /courses/	2,418 (8.51%)
<input type="checkbox"/>	4. /courses-for-business/	1,990 (7.00%)
<input type="checkbox"/>	5. /team/	1,290 (4.54%)
<input type="checkbox"/>	6. /stories/	1,136 (4.00%)
<input type="checkbox"/>	7. /about/	1,044 (3.67%)
<input type="checkbox"/>	8. /contact/	927 (3.26%)
<input type="checkbox"/>	9. /service-design-in-education/	788 (2.77%)
<input type="checkbox"/>	10. /service-design-mindset/	634 (2.23%)

While work through the pandemic and lockdowns continued at pace, SDA are now seeing a dip in the numbers of companies committing to training. This is more likely to be because of uncertainty in the market as organisations wait to determine the impacts and effects of COVID this winter rather than a decline in interest in our products. This decline is reflected in our **Contribution Report**.

	Month 3 2021/02			Revised Annual Forecast
	Budget	Actual	Variance	
£000's				
SFC Credit income	6	6	-	23
Flexible Workforce Development Fund	53	27	(26)	214
<b>SFC Total</b>	<b>59</b>	<b>33</b>	<b>(26)</b>	<b>237</b>
Professional Development Awards & Short Programmes	135	43	(92)	366
Other income	-	2	2	2
<b>Total Income</b>	<b>194</b>	<b>78</b>	<b>(116)</b>	<b>605</b>
Pay costs	136	114	22	447
Travel, consumables etc.	3	1	2	33
<b>Total Expenditure</b>	<b>139</b>	<b>115</b>	<b>24</b>	<b>480</b>
<b>Contribution</b>	<b>55</b>	<b>(37)</b>	<b>(92)</b>	<b>125</b>

The original budget had optimistically included successfully securing the Angus Council tender (with associated costs). Delivery of FWDF offers an opportunity to target enhanced contribution. The team are working hard to achieve this.

Since the start of the financial year, SDA have delivered work for **Journeycall**, **NESCol**, **City Pubs**, **Young Scot**, **Gillies & FutureX** with dates confirmed for **Scottish Spina Bifida**, **Dundee City Council**, **Argyle & Bute Council**, **Insights**, **Swan Housing** and **Gardyne Theatre**. SDA are in early discussion stages with 17 organisations, 6 Discovery Sessions are booked, and 8 proposals have been issued, making **31 active clients in the pipeline** including national charities, UK & Scottish government departments. There are 2 major opportunities ahead;

- A partnership with the Scottish Digital Office for a “closed” Professional Development Award (PDA) running solely for employees of Scottish Local Authorities. With support from SDO and SOLACE the PDA are initially looking to



recruit 16 delegates with potential for future cohorts. The idea of a closed PDA has also been discussed with 3 other organisations keen to put substantial numbers through the PDA, the option to tailor for their sectors initially looks like an attractive proposition.

- The second is the work SDA have undertaken in helping the Centre for Civic Innovation co-design and prototype [Glasgow City Council's Bloomberg Mayors Challenge](#) bid. The final bid has now been submitted and everything is crossed for early 2022 when the winners will be announced.



**Ryan Pierce,**  
**Head of Bloomberg Cities Network**



The SDA have done a considerable amount of work researching areas for in-demand curriculum initiatives. For the past 18 months the SDA have been in a niche market situation delivering the PDA and business courses. To maximise income **a new suite of courses will be launched in early 2022:**

- Service Design A B C's (an intro to Service Design for SME's)
- Service Design for Employee Experience (see below)
- Inclusive & Accessible Design (see below)
- Customer Experience Design (rebadging Learning to Listen to Your Customers)
- Design for Planet (around Carbon Literacy/Climate Emergency)
- Designing Human Centred Strategies (design skills for writing policies/strategies)

Initially these will be offered to individuals, to attract a new, or returning, audience where we know there are gaps in the market.

Service Design for Employee Experience	Inclusive & Accessible Design
Employee experience has never been so important for both employees and organisations. Whether you are trying to improve well-being, understand what the future of work looks like at your organisation, attract, or retain talent. A service design approach can help inject innovation into your organisation, improving your employee experience and performance.	<b>"Inclusive design is a daily practice – like brushing your teeth. You have to do it consistently to receive the full benefits."</b>
<b>Who is this for?</b>	<b>Kat Holmes</b> - Author of "Mismatch: How Inclusion Shapes Design"
	<b>Who is this for?</b> This course is for anyone who wants to improve the inclusivity and accessibility of their services, products, and experiences.

<p>This course is for anyone who wants to improve the experience of the employees at their organisation by putting them at the heart of the design process.</p> <p>You might be in a role in a people team, HR, recruitment, a hiring manager or one of the many people that are part of the end-to-end employee experience.</p> <p><b>How will I benefit?</b> You will:</p> <ul style="list-style-type: none"> <li>• be introduced to the Service Design approach and mindset</li> <li>• develop an understanding of the importance of the end-to-end employee experience</li> <li>• develop a people centred approach to create the future of work at your organisation</li> <li>• learn how you can increase employee satisfaction by developing ways to improve the employee experience</li> </ul>	<p>Teams will leave with an awareness of Inclusive Design and Accessibility which will enable them to evaluate experiences for potential barriers. The overall outcome from the two days will be a plan for beginning to work more inclusively.</p> <p><b>How will I benefit?</b> You will:</p> <ul style="list-style-type: none"> <li>• be introduced to the Inclusive Design approach and mindset</li> <li>• develop an understanding of the importance of accessibility</li> <li>• build an understanding of potential barriers for users</li> <li>• identify areas and opportunities for development within your current approach</li> <li>• collaboratively develop ideas and a roadmap to begin your inclusive design journey</li> </ul>
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Coming back to 4 years ago and memories of Designing Good to Great the SDA are supporting the **College of the Future** (Ways of Working) Project leading and facilitating the all-staff day on 27<sup>th</sup> January 2022. A Discovery Meeting has taken place with Project Leads and the SDA Team are excited and inspired to be working with teams across the College again.

## 6. Economic Recovery

### Raising Profile

Raising our profile both internally and externally is a top priority for the team in order to build quality partnerships, enhance our reputation and presence and create more opportunity for collaboration.

Internally - We have continued to attend team meetings and present to individual departments our role within the college and our vision for building both effective partnerships and offering a quality training provision for workforces.

Externally - We are continuing to work closely with our marketing team to help develop our core target audiences with the vision of creating a more grown up brand and a strategic marketing plan which will launch in January 2022.

The Business Partnerships team represent the College on multiple working groups, business events, networking events and boards.

The last couple of months have involved sponsoring, being involved in or attending the following large events:

- Courier Business Awards – Sponsor of Apprenticeship of the year Award
- Rising Star Awards – Fife Chamber of Commerce
- HIT Scotland Dinner, Old Course Hotel, St Andrews
- Scottish E-Sports League
- SCDI Online Event
- MSIP Showcase and Demonstrator Event

### Partnerships

There is lots of conversations currently happening with potential partners around collaboration, apprenticeships, staff and student placements, sponsorships of equipment and classrooms.

Industry Partners are:

- Old Course Hotel – Hospitality and Beauty Sectors
- TSG solutions UK Ltd – Engineering and Digital Sectors
- Bitwise Ltd – Digital Sector
- NCR – Digital and Sectors
- Tronius Ltd – Engineering Sector (Automotive)
- Arcola Ltd – Engineering Sector (automotive)
- Indian Govt – Engineering (Wind Turbine Technician)
- Abbeygate Shopping Centre, Arbroath – all departments
- Ninja Kiwi – Additional academy classroom – Digital Sector
- E-Sports Scotland – Digital Sector

Support Partners:

- Scottish Manufacturing Advisory Service
- RBS Enterprise Team – to run a series of 4 workshops that will kick off in January 2022, branded as joint partner events.
- Skills Development Scotland – inward investment team
- Employability – wider employability partners (i.e. expansion of NHS 24, SSE)
- Angus Alive – rural digital programme offers
- Angus Council, Communities Department – reducing poverty agenda
- Interface – use of innovation vouchers and facilities and equipment for R&D or training.

### **Flexible Workforce Development Fund**

The end of contract balances for 19/20 and 2020/21 are:

	Budget	Contractually agreed	Underspend	Amount Drawn Down
AY 2019-20 (Year 3) for Levy-payers	£473,379	£464,512	£8,867	£336,690
AY 2020-21 (Year 4) for	£607,852	£427,329	£180,523	£125,000

Levy-payers				
AY 2020-21 (Year 4) for SMEs	£157,135	£156,407	£728	£25,000
<b>Total</b>	<b>£1,238,366</b>	<b>£1,048,248</b>	<b>£190,118</b>	<b>£486,690</b>

The underspend is mainly due to the lockdown impacting on the ability to delivery to businesses and businesses not at that point prioritising training.

The allocation for 2021/22 has been increased to include the underspend from 2020/21.

#### 2021/22

<u>Budget</u>	Original AY 2021-22 allocation	Total underspend (19/20 – 20/21)	Adjusted AY 2021-22 allocation	Total AY 2021-22 allocation	Total funds to be drawn down for AY 2021-22
AY 2021-22 (Year 5) for Levy-payers	£602,241	£189,390	£412,851	£602,241	£1,032,392
AY 2021-22 (Year 5) for SMEs	£162,042	£728	£161,314	£162,042	£293,449
<b>Total</b>	<b>£764,283</b>	<b>£190,118</b>	<b>£574,165</b>	<b>£764,283</b>	<b>£1,325,841</b>

<u>Delivery</u>	No of Businesses Engaging	Training contractually agreed
SME 21/22	41	£27,387
Levy 21/22	44	£15,000

The new fund is now open and the Skills Advisors have developed target profiles and a plan of action to hit target for this year, which will include the underspend from last year.

In reality, this significant target will be a difficult task for the levy paying businesses. We have a finite amount of levy payers in the region therefore rely on repeat custom and because of the delay in training, the cancellation of training and not being able to commit to courses that were agreed we are having to spend a significant amount of time reconciling relationships and some have chosen to work with SDS and access training through a private training firm.

The team are prioritising this and working hard on building quality relationships and offering a bespoke training programme to try and encourage levy payers to continue to work with us.

The SME target for 2021/22 does not pose the same challenges and is anticipated to be achieved.

#### **Skills Boost – National Transition Training Fund (NTTF) and Young Person's Guarantee (YPG) Funding**

We relaunched a suite of 19 virtual courses with a focus on reskilling and upskilling into our key growth areas such as Care, Digital and Management as well as courses designed to get individuals into employment.

Since the first round of courses were launched last year a lot of work has been completed to streamline the IT process and remove touch point and give a more instant access to the courses. There are still some touch points and information required to get the necessary information for SFC however significant improvements have been made. Tailored marketing also demonstrates that whilst the courses are free right now they do have a £ valuation against them in a bid to try and increase the perceived value of these

The live courses are:

- Building an online business
- Digital transformation for Businesses
- Managing a virtual workplace
- Developing high performance teams
- HR training for a Non-HR Manager
- Becoming Management Material
- Leadership skills for Supervisors
- Situational Leadership
- How to market your business online
- Get Connected and Introduction to Internet of Things
- Introduction to Cyber Security and Cyber Security Essentials
- NDG Linux Unhatched and Linux Essentials
- PCAP: Programming Essentials in Python
- Understanding Child Development
- Preparing to work in Early Education and Childcare
- How to prevent Infection
- Understanding Individual Pathways in health and social care
- Understanding Human Development & Behaviour in a care setting
- Kickstart Your Employment

## MSIP Skills Academy

As a result of some physical build challenges, it is likely that there will be a delay to opening however we are working towards 1 March 2022 to have curriculum, staff and equipment ready to deliver.

### Key updates:

Alongside our existing portfolio of courses we are looking to offer:

Engineering Department	Electrical & Plumbing	Construction
<ul style="list-style-type: none"> <li>• Hydrogen Awareness</li> <li>• PDA Hydrogen</li> <li>• Site Safety Operative Hydrogen</li> <li>• PDA Automation &amp; Robotics</li> <li>• PDA Advanced Manufacturing</li> <li>• Fabrication and Welding</li> <li>• Energy battery Storage Awareness</li> <li>• Bespoke Energy Battery Storage Training</li> <li>• GWO BTT Awareness</li> <li>• GWO BTT</li> <li>• GWO BST [Coast</li> </ul>	<ul style="list-style-type: none"> <li>• Air Source &amp; Ground Source Heat Pumps</li> <li>• Solar Thermal</li> <li>• Heat Storage (Battery)</li> <li>• Biomass</li> <li>• Smart Heating Controls</li> <li>• Industrial And Commercial Installation</li> <li>• Hydrogen Ready Boilers</li> <li>• Mechanical Ventilation Heat Recovery</li> <li>• Grey water Harvesting</li> <li>• Smart Heating Controls</li> <li>• Electric Heating - Storage Heaters,</li> </ul>	<ul style="list-style-type: none"> <li>• Energy efficiency Awareness</li> <li>• L2 Internal and External insulation</li> <li>• Online Passivhaus Standards</li> <li>• Pre 1919</li> </ul>

Renewables] • Health & Safety Working at Heights [Coast Renewables] • Health & Safety Working in confined spaces [Coast Renewables] • MOT CPD Training • MOT Testing Award • L1 EV Awareness • L2 EV Hazard Management • L2 EV Technician • L3 EV System and repair.	Infrared and Panel Heating • Solar PV Electrician Pathway • Mechanical Ventilation Heat Recovery • Lighting & Controls • Micro Wind Turbines • Electrical Underfloor Heating	
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The vast majority of these courses have been designed and are ready to be delivered however we are in final stages of creating a project plan as to how we identify and upskill key members of staff, invest in the right equipment and identify where additional staff are required.

- Staff buy in is incredibly important as we progress forward and so we have spent time with the teams to help them better understand the vision and plan and encourage champions across different subjects. We are arranging site tours for all key staff.
- Understanding business needs is key and so we spent time on site with the current tenants and the Business Development Manager to really understand their vision and their current skills gaps. Upon doing this we learnt that there is a real need for wider skills and training such as leadership, management, communication, HR, Finance, Marketing and therefore we have now included the wider departments to help them understand the role they will play in the Skills Academy. A site tour and a chance to speak to tenants has been arranged for later this month.
- We are working on formalising partnership agreements with Coast Renewables Ltd who will deliver the safety part of our Wind Turbine Training.
- ESP have secured NTTf to pay for Wind Turbine and EV Training and therefore we would hope to align these early 2022 and cater for early demand.

## 7. Procurement Update

A separate report has been produced for this Committee meeting.

## 8. Regular Updates

The following have previously been agreed as a feature of the regular reporting to the Finance & Property Committees.

Subject	Comment
Bad Debt Reporting and Write-Off	There were no individual bad debt write offs over £3K during the period between October to November 2021.

## 9. Link to Strategic Risk Register

Consideration of the topics included in this Vice Principal – Corporate Services report 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

3.2 – failure to achieve/maintain compliance arrangements

**Authors:** Caron Sandeman, Service Design Manager

Leann Crichton, Head of Administrative Operations

Caryn Gibson, Economic Partnerships Manager

**Executive Sponsor:** Jaki Carnegie, Vice Principal – Corporate Services

**BOARD OF MANAGEMENT**  
**Finance and Property Committee**  
**Tuesday 7 December 2021**



## **Tay Cities Engineering Partnership: Update**

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### ***Paper for approval***

#### **1. Introduction**

Members will recall that at the September meeting you approved that the redevelopment works required to the Arbroath Campus would be put out to tender. (See replicated information from Committee meeting at Appendix 1). This paper identifies the challenges with progressing the cladding works within this fiscal year.

#### **2. Recommendation**

Members are asked to approve the Non-Competitive Award to enable the project to complete within this financial year.

#### **3. Progress and Challenges to Date**

The TCEP project has met with numerous delays in securing Outline Business Case approval that was finally granted in September 2021 allowing the Full Business Case to be progressed. This is now being submitted in December to Scottish Government and the Management Board from where it is planned it will progress to the February Joint Committee for final sign off and issue of the formal grant letter.

The budgetary requirements for the fiscal year 2021-22 are set with £275k identified to support the Arbroath campus developments of the Engineering and Advanced Manufacture Centre that must be spent in this fiscal year (with a claim to be submitted by 17 March).

Most of the building works, have been procured (yet to commence) with the M&E in progress using in house staff with many other aspects of the build works procured through a mixture of open tender via PCS-T and closed competition for small lots amongst local contractors, all in accordance with procurement policies and procedures.

The College has received assurances that proceeding with procurement in advance of FBC this fiscal year can be backdated to the beginning of the fiscal year and the in-year funding is committed and assured however allocated funds for this year cannot be carried over into 2022/22 with any underspend being considered toward the end of the overall Tay Cities 10-year programme.



The wording below is contained in the legal agreements that are issued to all projects once they have an approved Full Business Case and explains that money isn't rolled forward automatically.

*"8.1 ... the Grantee acknowledges and accepts that if there is an underspend in regard to the Project in any particular Financial Year, the underspend will not necessarily be carried forward to the following Financial Year and that the value of the Grant may be re-profiled at the discretion of the Council for the purposes of managing the Programme as a whole or as required by UK or Scottish Governments."*

The main outstanding issue for the completion of the build is the exterior cladding for which we have now received the engineering design from a contractor.

We have engaged with APUC on likely procurement timelines for capital spend under this project and the anticipated likely completion date following normal procurement process is June 2022 which would mean that we could not automatically secure/recover this funding.

Start	Weeks	Activity
01/12/2021	2	Pre-Tender Activities
15/12/2021	1	Tender Advertisement
22/12/2021	2	Public Holidays
05/01/2022	3	Tender Submission
26/01/2022	2	Tender Evaluation
09/02/2022	2	Standstill Observation
23/02/2022	1	Contract Award/Acceptance/Purchase Order
02/03/2022	12	Delivery Lead Time
25/05/2022	2	Installation/Works on Site

With the limited timescales for procurement, and the potential to lose the 'in year' funding we are therefore seeking approval (before progressing to the College Board and seeking SFC requisite approval) to allow a non-competitive award for the Supply and Installation of Wall Cladding for the Advanced Engineering & Manufacturing Centre (with an anticipated value of circa £55k + VAT) to be awarded to the company who have carried out the initial engineering design.

#### **4. Other Implications**

Whilst this paper is highlighting the impact of the physical build on our Arbroath Campus, similar procurement and process challenges arise from the equipment element of this project. A meeting with the Programme Management Office is taking place on 9<sup>th</sup> December to try to find some compliant resolution.

#### **5. Link to Strategic Risk Register**

Consideration of this supports the mitigation of a range of risks identified within the Strategic Risk Register namely;

3.2 – failure to achieve/maintain compliance arrangements

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

3.5 – Reputational Risk – Loss of reputation with key stakeholders

**Author:** Jim Brown, Project Manager

**Executive Sponsor:** Jaki Carnegie, Vice Principal - Corporate Services

**Advanced Engineering and Manufacturing Facility – Multiple Contracts – Total  
Estimated Project Value £163,000 plus VAT.**

This is budgeted within the 21/22 fiscal year of the Tay Cities Engineering Partnership (TCEP) which now moves to Full Business Case following OBC approval. The PMO for Tay Cities Deal assures us that funding was committed when the Deal was signed, however it is not guaranteed to roll over if underspent within the year.

<b>Project Contracts Breakdown</b>	
<b>Cladding Design – £7,000 plus VAT</b>	Directly awarded to AVTEK
<b>Cladding Installation – £50,000 plus VAT</b> Approval sought from FPC for either of the two options listed opposite (See Note below).	<b>Option 1</b> – Direct Award to Design Supplier AVTEK <b>Option 2</b> – Open Tender via Public Contracts Scotland Portal (PCS)
<b>M&amp;E Infrastructure Design - £6,000 plus VAT</b>	Directly Awarded to KDQ
<b>M&amp;E Infrastructure Installation –</b> (Previously valued at £50,000 plus vat)	A decision has been taken for this work to be carried out by the College in-house electrical and plumbing team. Material and equipment for this element of the project will be procured via the APUC framework
<b>Building Work Package - £50,000 plus VAT</b> Approval sought from FPC for either of the two options listed opposite (See Note below).	<b>Option 1</b> - Open Tender via PCS for total Works Package, split into smaller lots where practical. <b>Option 2</b> – Quick quotes using local contractors.

**Note: Reasoning behind presentation of Option Choices to FPC**

The conditions of this project, as currently outlined in the OBC paragraph extracted below, expect a competitive process vis PCS. However, the delay in progressing the project to final OBC has caused delay and potential funding limitations have introduced further constraints and given rise to a number of risks.

*“The procurement strategy for this project will ensure that value for money is achieved for the Tay Cities Deal. The Board of Directors of the newly formed entity will have overall responsibility for the project. The procurement strategy will be developed per D&A College’s Procurement Strategy and Financial Regulations and in agreement with the partners and in line with TCEP governance. All procurement for the project will follow the Scottish Model of Procurement, with all contract opportunities and appointments being advertised and awarded using the Public Contracts Scotland Portal.”*