

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 20 September 2022 at 5.00pm
Y150 (Boardroom), Gardyne Campus

AGENDA

1. Welcome
2. Apologies
3. Declarations of Interest
4. Minute of the Previous Meeting Paper A for approval
5. Matters Arising Paper B for noting
6. Internal Audit
 - 6.1. 2021/22 Progress Report Paper C for noting HL
 - 6.2. Follow Up Review Paper D for noting HL
 - 6.3. Follow Up Summary Paper E for noting JC
 - 6.4. 2022/23 Annual Audit Plan Paper F for approval HL
7. Strategic & Covid Risk Registers Paper G for approval ST
8. External Audit Verbal update AS
9. Annual Data Protection Compliance Report Paper H for noting ST
10. Covid-19 Update Verbal update JC/ST
11. Date of Next Meeting – Tuesday 6 December 2022.
Joint Meeting with Finance & Property Committee.

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 20 September 2022



MINUTES OF PREVIOUS MEETING – TUESDAY 7 JUNE 2022

PAPER A

BOARD OF MANAGEMENT



Audit & Risk Committee

Tuesday 7 June 2022 at 5.00pm
In Microsoft Teams

Minute of the Audit & Risk Committee meeting held on Tuesday 7 June 2022 at 5.00pm via MS Teams

PRESENT: H Honeyman (Chair Audit) S Middleton
M Thomson R McLellan
K Ditcham

IN ATTENDANCE: J Carnegie (Vice Principal) T D'All (Principal's/Board Chair PA)
S Taylor (Vice Principal) D Archibald (Henderson Loggie)
A Kerr (Audit Scotland) E Robertson (Audit Scotland)

1. WELCOME

H Honeyman welcomed members of the Audit Committee, her first as Chair. H Honeyman also welcomed R McLellan and K Ditcham to their first meetings of the Committee.

2. APOLOGIES

Apologies were noted from K Keay and M Williamson

3. DECLARATIONS OF INTEREST OR CONNECTION

None.

4. ELECTION OF VICE CHAIR

S Taylor noted the Vice Chair of the Audit & Risk Committee vacancy. Notes of interest to be emailed to S Taylor for picking up at the meeting in September 2022.

5. MINUTE OF THE PREVIOUS MEETING –

The minutes of the Audit and Risk Committee meeting held on 8 March 2022 was approved as an accurate record with one change:

Item: 6.2 – minute was updated to include: additional layers of assurance and building on work undertaken in previously reviews.

6. MATTERS ARISING

Matters arising from previous meeting were closed.

7. INTERNAL AUDIT

7.1 Publicity & Communications

D Archibald summarised the report, highlighting that this looked at external and internal communications and noted that the overall grading was “Good”. Strengths noted included the Marketing the Future Project –new ways of communications with audiences. D Archibald noted that the opportunities for enhancement highlighted in the report would be useful but were not necessary weaknesses.

D Archibald said that the Internal Communication Policy was due for. D Archibald highlighted discussions with Managers where it was felt that bespoke training around communication / digital communication methodology; communication routes and understanding how these can be applied.

H Honeyman asked about reference to different communication mediums within the policy and S Taylor advised that College Policies were high level so would not include all forms of communications.

S Taylor highlighted that College Policies were updated on a rolling 3-year basis, however the usual document control processes had been impacted by COVID, so a number of policies still required to be updated.

The positive audit report was approved.

7.2 Data Protection

D Archibald noted there was a real focus when GDPR was implemented in 2018 and stated that the report looked at application of the GDPR framework across the college when dealing with sensitive data and the associated risks. D Archibald noted the “Good” overall grading reflecting positively on the arrangements in place and the work of undertaken by the Data Protection Officer (DPO) and others to ensure compliance and reminding staff of their responsibilities.

D Archibald noted 3 areas for enhancement including: establishing a Data Privacy Network, A report on the work undertaken by the DPO throughout the year (reporting to the Audit & Risk Committee), and a formal procedural guidance document to be developed.

H Honeyman enquired about the burden on staff of establishing the Network. J Carnegie confirmed that, for the people responsible for sharing good practice, this should not be a significant burden. S Taylor stated that the College was currently looking at creating a better network for staff using data and reporting and this recommendation would fit well alongside this work.

H Honeyman welcomed the audit outcomes and the proposed Data Protection report to the Audit & Risk Committee. The report was approved

7.3 Progress Report

D Archibald noted that the 2021/22 annual audit plan was on track with the routine audits remaining (student activity and funding) to be completed in September 2022.

H Honeyman queried the timing of these Audits taking place at an already busy time for College staff with S Taylor confirming these are standard Audits and part of the expected Annual Cycle. D Archibald stated that these Audits are driven by SFC's requirements, and the timings are the same as previous years.

J Carnegie noted that in previous years when the start and finish of the Internal & External Audit take place the auditors have been onsite but when it is done remotely this tended to extend the time. It is hoped this year the tie up of things will be more prompt. D Archibald intimated that he would pick up with S Taylor & L Crichton to prepare the timeline for the Audits.

R McLellan queried the student Invoicing and Debt Management as Satisfactory. D Archibald said that the grading as satisfactory would indicate relatively minor weaknesses.

7.4 Follow Up Summary

J Carnegie noted the content of the Follow Up Summary paper highlighting the completion of Student Invoicing and Debt Management, Cyber Security and Student Activity Data with all the actions completed or in progress.

J Carnegie noted the Catering and Business Review – work on food poverty and healthy eating with subsidies for healthy food. J Carnegie noted the current financial situation with the College having to cut back on these subsidies. J Carnegie did however note that the College still operated the food larders and students' kitchens which are popular.

J Carnegie noted the Fraud Initiative update highlighting the training provided to the teams which has been transferred to a "Rise" package for all staff.

H Honeyman enquired about the opportunity for students to make payments online and it was confirmed that currently students can only see their account balance. It is hoped that in the future Students will be able to make payments, but this may require substantive systems investment

8. EXTERNAL AUDIT

8.1 Annual Audit Plan 2021/22

A Kerr noted the Annual Audit Plan proposed for 2021/22.

The audit plan was summarised highlighting the key requirements to be met and the key elements associated with materiality, risks and statutory reporting.

plan served two main tasks: Discharge accountancy confirmation of independence and quality arrangements.

A Kerr noted the focus on pensions and asset valuations, and these elements were discussed with A Kerr confirming there was no need to have the assets valued by an external organisation but that any significant change of use of an asset should be considered (for example unused buildings) as a reduced asset.

H Honeyman enquired about the scale of any potential the Audit Fee / late fee. A Kerr confirmed this cost would depend on any specific additional work needed and would be factored in on a case-by-case basis.

8.2 New External Auditor Appointment – Mazars

J Carnegie advised the Committee that the College has received confirmation that Mazars have been appointed as the External Auditor for 2022/23 to 2026/27 noting expectations of a handover at the meeting in December 2022 with Audit Scotland.

9. FRAUD REPORT

J Carnegie noted disappointment at having to prepare a report highlighting a theft/fraud arising within the canteen service. J Carnegie noted that the overall value involved was not significant so had not been advised to auditors or SFC. A Kerr noted that there may be a requirement to reference the report within the Governance Statement of the Financial Statement which J Carnegie confirmed that this would be looked at as appropriate.

S Taylor noted that, due to the content and nature of the report, it would be appropriate and reasonable for this not to be included in the papers when published on the College website. This was agreed.

The Committee noted the report and approved the recommendations and actions.

10. STRATEGIC RISK & COVID REGISTERS

S Taylor summarised the Risk Register papers and outlined the proposed changes in the COVID Register.

S Taylor highlighted discussion around the College hitting its Credit Target for this year with ongoing conversations with SFC and some flexibilities being agreed. Given these flexibilities the College was reasonably comfortable with hitting targets with limited risk of any clawback.

S Taylor confirmed that it had been agreed that any post mitigation risk which remained “red” would prompt a report to Audit & Risk Committee on the actions being taken.

It was noted that this was the case in respect of the Financial Sustainability Risk.

Initial saving plans had been copied to the Board, outlining the proposals and steps planned to manage the cuts and bring the College back to financial sustainability.

S Taylor noted that over 80 responses had been received to the Consultation paper with the Executive Team at the stage of finalising the proposal for further consultation. S Taylor noted a more detailed conversation was to take place at the Board of Management Meeting in June.

S Taylor noted the reduction in terms of the required mitigations around COVID Risk Register with the intention to remove the separate register in September. H Honeyman requested that a “pandemic” like risk was included within the Strategic Risk Register. This was agreed, **S Taylor to progress.**

M Thomson said that the requirements for a separate risk around COVID & BREXIT are running their natural courses, but that it remained important that these stayed on the radar.

H Honeyman enquired about the need to review the Business Continuity Plan (BCP) as the pandemic BCP arrangements lessened. J Carnegie noted that a post event review of the cyber-attack had been undertaken and that a similar review would be undertaken to assess the pandemic continuity plan.

The Strategic and COVID Risk Registers were approved.

11. DATA BREACH REPORTING

None

12. COVID-19 UPDATE

J Carnegie noted that the College estate was almost back to normal with no physical distancing or face coverings required. The ICT and furniture had been reinstated to achieve normal class sizes. CO2 monitoring was continuing along with the availability of hand sanitizer.

J Carnegie noted that the majority of testing kits were returned with a small stock retained for vulnerable students that may still require regular testing.

S Taylor stated that the College would continue to support the “distance aware” arrangements, although uptake had been minimal but that some staff and students were still wearing mask.

S Taylor highlighted the continuing impact on learning, teaching and assessment with the College taking advantage of the Decision Tree Branch 4 from SQA. It had been confirmed that similar assessment adaptations would be available in 2022/23.

S Taylor noted that after two years the College had completed the SQA exam diet for 2022 with no substantial issues raised.

13. DATE OF NEXT MEETING – Tuesday 20 September 2022, Kingsway Campus – ON SITE

Action Point Summary

Action	Responsibility	Date
Pandemic management risk to be included in Strategic Risk Register	S Taylor	20 September 2022

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 20 September 2022



MATTERS ARISING

PAPER B

BOARD OF MANAGEMENT
Audit & Risk Committee
Tuesday 20 September 2022



Matters Arising

Paper for information

The following actions were noted from the Tuesday 7 June 2022 Audit & Risk Committee meeting.

Agenda Item No	Action	Current status	Open / Closed
10.0	Pandemic management risk to be included in Strategic Risk Register	New risk added to Strategic Risk Register	Closed

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

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 20 September 2022



INTERNAL AUDIT

2021/22 PROGRESS REPORT

PAPER C

Dundee & Angus College

Internal Audit Progress Report

Audit & Risk Committee – 20 September 2022

Issued: 12 September 2022



Internal Audit Progress Report September 2022

Progress in delivering the annual plan for 2021/22 is shown below.

Audit Area	Planned reporting date	Report status	Report Number	Overall Conclusion	Audit & Risk Committee	Comments
ANA and Strategic Plan	December 2021	Draft: 26/11/21 2 nd Draft: 29/11/21 Final: 07/12/21	2022/01	N/A	07/12/21	
Annual Plan 2021/22	December 2021	Draft: 29/11/21 Final: 07/12/21	2022/02	N/A	07/12/21	
Cyber Security	March 2022	Draft: 31/01/22 Final: 02/02/22	2022/03	Good	08/03/22	
Student Invoicing and Debt Management	March 2022	Draft: 01/02/22 Final: 28/02/22	2022/04	Satisfactory	08/03/22	
Publicity and Communications	May 2022	Draft: 26/05/22 Final: 27/05/22	2022/06	Good	07/06/22	
Data Protection	May 2022	Draft: 24/05/22 Final: 27/05/22	2022/05	Good	07/06/22	



Audit Area	Planned reporting date	Report status	Report Number	Overall Conclusion	Audit & Risk Committee	Comments
Credits	December 2022					Fieldwork commenced 22 August 2022 – waiting on FES report to complete work.
Bursary, Childcare and Hardship Funds	December 2022					Fieldwork commenced 15 August 2022 – waiting on FES report to complete work.
EMA	December 2022					Fieldwork commenced 15 August 2022 – waiting on FES report to complete work.
Follow Up Reviews	September 2022	Draft: 12/09/22 Final: 12/09/22	2022/07	N/A see comments	20/09/22	3 Fully implemented 1 Partially implemented 1 Considered but not implemented 5 in total

Gradings are defined as follows:

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



info@hlca.co.uk
hlca.co.uk

Aberdeen 45 Queen's Road AB15 4ZN
Dundee The Vision Building, 20 Greenmarket DD1 4QB
Edinburgh Ground Floor, 11-15 Thistle Street EH2 1DF
Glasgow 100 West George Street, G2 1PP

T: 01224 322 100 **F:** 01224 327 911
T: 01382 200 055 **F:** 01382 221 240
T: 0131 226 0200 **F:** 0131 220 3269
T: 0141 471 9870

Henderson Loggie LLP is a limited liability partnership registered in Scotland with registered number SO301630 and is a member of PrimeGlobal, a global association of independent accounting firms, the members of which are separate and independent legal entities. Registered office is: The Vision Building, 20 Greenmarket, Dundee, DD1 4QB. All correspondence signed by an individual is signed for and on behalf of Henderson Loggie LLP. Reference to a 'partner' is to a member of Henderson Loggie LLP. A list of members' names is available for inspection at each of these addresses.



BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 20 September 2022



INTERNAL AUDIT

FOLLOW UP REVIEW

PAPER D

Dundee and Angus College

Follow Up Reviews 2021/22

Internal Audit report No: 2022/07

Draft Issued: 12 September 2022

Final Issued: 12 September 2022



Contents

	Page	
Section 1	Introduction and Background	1
Section 2	Objectives of the Audit	1
Section 3	Audit Approach	1
Section 4	Overall Conclusion	1 - 2
Section 5	Acknowledgements	2
 Appendices		
Appendix I	Updated Action Plan - Internal Audit Report 2021/05 – Budgetary Control (Financial Reporting)	3 - 4
Appendix II	Updated Action Plan - Internal Audit Report 2021/06 – Economic Recovery	5
Appendix III	Updated Action Plan - Internal Audit Report 2021/07 – Follow Up Reviews	6 - 8



Management Summary

Introduction and Background

As part of the Internal Audit programme at Dundee and Angus College ('the College') for 2021/22, we carried out a follow-up review of the recommendations made in Internal Audit reports issued during 2020/21, which have not previously been subject to formal follow up, together with outstanding recommendations relating to previous years. These were:

- Internal Audit Report 2021/05 – Budgetary Control (Financial Reporting)
- Internal Audit Report 2021/06 – Economic Recovery
- Internal Audit Report 2021/07 – Follow-Up Reviews 2020/21

Reports 2021/01 – Annual Plan, 2021/02 – Health, Safety and Wellbeing, 2021/03 – Systems Development / Implementation, 2021/04 – National Fraud Initiative, 2021/09 – Student Support Funds 2020/21 and 2021/10 – 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 2021/08 – 2020/21 Student Activity Data will be followed up separately as part of the equivalent 2021/22 Student Activity Data Report and will be considered at the December 2022 meeting of the Audit & Risk Committee.

Objectives of the Audit

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.

Audit Approach

For the recommendations made in each of the reports listed above we ascertained by enquiry and review of supporting documentation, as appropriate, whether they had been completed or what stage they had reached in terms of completion and whether the due date needed to be revised.

Action plans from the original reports, updated to include a column for progress made to date, are appended to this report.

Overall Conclusion

The College has made good progress in implementing the recommendations followed-up as part of this review, with overall 3 (60%) of the 5 recommendations followed-up being assessed as 'fully implemented', with 1 (20%) categorised as 'partially implemented' and 1 (20%) 'considered but not implemented'.

The recommendation that has been 'considered but not implemented' is from report 2021/06 – Economic Recovery. We recommended that 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 the various projects and initiatives are quite diverse, with some requiring reporting determined by the funder, it was not felt possible to develop one standard template.

The recommendation that has been assessed as 'partially implemented' will be subject to further follow-up as part of the equivalent review in the 2022/23 programme of internal audits.



Follow Up Reviews

Overall Conclusion (continued)

Our findings from each of the follow-up reviews has been summarised below:

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
Budgetary Control (Financial Reporting)	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	2	2	-	-	-	-
Total		2	2	-	-	-	-
Economic Recovery	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	1	-	-	-	-	1
Total		1	-	-	-	-	1
Follow Up Reviews 2020/21	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	2	1	1	-	-	-
Total		2	1	1	-	-	-
Grand Totals		5	3	1	-	-	1

The grades, as detailed below, denote the level of importance that should have been given to each recommendation within the internal audit reports:

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

Acknowledgements

We would like to thank all staff for the co-operation and assistance we received during the course of our reviews.



Appendix I - Updated Action Plan

Internal Audit Report 2021/05 – Budgetary Control (Financial Reporting)

Original Recommendation	Priority	Management Response	Agreed	To Be Actioned By	No Later Than	Progress at September 2022
<p>R1 The draft Financial Regulations and Budget Guidance for Budget Holders, provided in October 2019, should be updated to reflect current working practices and should be version controlled to confirm that management have approved the regulations in line with the agreed review timetable.</p> <p>The Budget Guidance for Budget Holders should also be amended to provide additional description around the management of significant variances, and to provide further guidance on what the College defines as a significant variance (in absolute or percentage terms).</p>	3	<p>Agreed.</p> <p>Agreed. Further consideration will be made to add clarity.</p>	Yes	VP Corporate Services / Head of Finance	31 August 2021	<p>The Financial Regulations and Budget Guidance were updated in April 2022 and October 2021 respectively.</p> <p>The Financial Regulations were approved by the Finance & Property Committee.</p> <p>The Budget Guidance has been issued to Budget Holders.</p> <p><i>Fully Implemented</i></p>



Follow Up Reviews

Original Recommendation	Priority	Management Response	Agreed	To Be Actioned By	No Later Than	Progress at September 2022
<p>R2 The recurring meetings between the relevant Management Accountant and budget holders should be reinstated and a formal meeting schedule should be established.</p> <p>Where management meetings cannot occur, Management Accountants should follow up the distribution of reports to ensure that a) the reports have been viewed by the budget holder and b) confirm directly with the budget holder whether there are any issues they wish to discuss.</p>	3	<p>Agreed; regular dialogue with key budget holders has continued, albeit less formally, with ad hoc conversations with others as necessary, taking due cognisance of other budget holder priorities during the pandemic. A more formal approach is desirable again and will be reinstated when possible.</p> <p>Further consideration will be given to follow up engagement where this is deemed proportionate and budget holders will be reminded that they have a responsibility to take appropriate action upon receipt of their reports, particularly when these contain prompts inserted by the Management Accountants.</p>	Yes	Head of Finance / Senior Management Accountant	30 September 2021	<p>Meetings have resumed and will remain a regular occurrence, with schedules being agreed to suit each Budget Holder.</p> <p>Budget Holders have been reminded to address comments inserted by Management Accountants and these are followed up by Management Accountants as appropriate.</p> <p><i>Fully Implemented</i></p>



Appendix II - Updated Action Plan

Internal Audit Report 2021/06 – Economic Recovery

Original Recommendation	Priority	Management Response	Agreed	To Be Actioned By	No Later Than	Progress at September 2022
<p>R1 Consideration should be given to the development of a standard reporting format which will capture the status of each of the strands of the economic growth and recovery initiatives ongoing within the College and will allow these various initiatives to be tracked through implementation to ongoing delivery and achievement of anticipated outcomes and outputs.</p>	3	<p>Agreed:</p> <p>As these projects, particularly MSIP and Tay Cities Deal, move from the business case stage to approval by the various internal and external Boards they will be specifically reported on. Where it is appropriate, a standard reporting style will be used.</p>	Yes	Individual Project Leads	31 October 2021	<p>The various projects and initiatives are quite diverse with some requiring reporting determined by the funder i.e. SFC require reports on FWDF and NTT/YPG and they provide the templates. Other projects such as the Advanced Manufacturing Centre is a capital build project whereas the SMEs skills development project involves engagement by business advisors with businesses and training providers. The Audit & Risk Committee agreed with College management that it was challenging to find a one-size-fits-all reporting template.</p> <p>The recently agreed strategic project management approach is being implemented, which provides a structure for managing projects, including reporting. Standard reports may be used for some projects, where this makes sense.</p> <p><i>Considered But Not Implemented</i></p>



Appendix III - Updated Action Plan

Internal Audit Report 2021/07 – Follow Up Reviews 2020/21

Original Recommendation	Priority	Management Response	Agreed	To Be Actioned By	No Later Than	Progress Previously Reported	Progress at September 2022
Internal Audit Report 2020/02 – Staff Recruitment & Retention							
R4 Create and implement a programme of mandatory refresher training campaigns for all staff which is subject based (e.g. Health & Safety, Data Protection, Equality & Diversity) together with a process for monitoring and reporting completion rates for these campaigns.	3	New arrangements developed. These will be implemented from the start of academic year 2020/21.	Yes	Head of People and OD.	31 August 2020 Revised: TBC	September 2021 Implementation has been impacted due to COVID response and amended ways of working resulting in a delay in completion of initial training elements. Revised Date of Completion: 31 October 2021 Partially Implemented	The mandatory training supplier is live and scheduling of training is in place. Each year, the mandatory training modules for the current 'Themed Year' are reset on August 1 st and staff need to complete specific modules by the end of July. The modules to be completed appear as mandatory training on the platform's homepage. Fully Implemented



Follow Up Reviews

Original Recommendation	Priority	Management Response	Agreed	To Be Actioned By	No Later Than	Progress Previously Reported	Progress at September 2022
Internal Audit Report 2020/03 – IT Network Arrangements / IT Strategy							
<p>R3 Once [Information & Security] training has been delivered (see R2) mechanisms should be developed and implemented to test the effectiveness and value of the security training provided to staff and students. This should be delivered through formal analysis of the section on information security within the Digital Skills Capability Assessment. Those areas of the College which routinely feature in security reports (or achieve the lowest feedback from information security questionnaires) should be targeted and prioritised for further training</p>	3	<p>The effectiveness of cyber training is currently assessed through the Digital Skills Capability Assessment. We will continue to monitor this bi-annually. The next assessment will be carried out in May 2020.</p>	Yes	Learning and Digital Resources Manager	30 June 2020	<p>September 2021 An updated Digital Skills Capability Assessment has been developed. This has been included in the Learn@D&A Induction, hosted on the Future Talent site and also forms part of the new suite of Getting Ready for College courses that will be offered to new students. A staff version is also being developed, again this will be included in the staff induction process and offered out to staff on an agreed development cycle.</p> <p>A College Development Network report was published on 31 August 2021 on the impact of the pandemic on the digital skills of staff working in Scotland's colleges. LDR and OD have met to review the findings and agree upon a new Digital Capabilities Self-Assessment for College staff based on this work.</p>	<p>For students, the Digital Capabilities Self-Assessment allows them to gauge the level of their digital capabilities and the College can then support students with the right training.</p> <p>For staff, the new Digital Capabilities Self-Assessments have been created – one for Support and one for Academic 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 are now approved. The Audit & Risk Committee agreed that the timing of the launch of this would be managed based on priorities. The expectation is that the self-assessments will be issued / reported over the next 18 months.</p>



Follow Up Reviews

Original Recommendation	Priority	Management Response	Agreed	To Be Actioned By	No Later Than	Progress Previously Reported	Progress at September 2022
Internal Audit Report 2020/03 – IT Network Arrangements / IT Strategy							
R3 (Continued)						<p>A draft academic and support staff assessment have been created and will be reviewed. Feedback will also be sought from the Digital Strategy Community Group at their October meeting.</p> <p>It is intended that the assessment will be launched in November to all staff and a report published based on the findings in May 2022.</p> <p>Revised Date of Completion: 31 May 2022</p> <p>Partially Implemented</p>	<p>Once staff have completed the self-assessment they can choose to visit the Staff Digital Toolkit for short online training courses for each of the College's key digital tools and services, or alternatively they can contact Learning & Digital Resources directly and have a digital training plan put in place.</p> <p>Revised Date of Completion: 31 December 2023</p> <p>Partially Implemented</p>



Aberdeen 45 Queen's Road AB15 4ZN

Dundee The Vision Building, 20 Greenmarket DD1 4QB

Edinburgh Ground Floor, 11-15 Thistle Street EH2 1DF

Glasgow 100 West George Street, G2 1PP

T: 01224 322 100

T: 01382 200 055

T: 0131 226 0200

T: 0141 471 9870

F: 01224 327 911

F: 01382 221 240

F: 0131 220 3269

Henderson Loggie LLP is a limited liability partnership registered in Scotland with registered number SO301630 and is a member of PrimeGlobal, a global association of independent accounting firms, the members of which are separate and independent legal entities. Registered office is: The Vision Building, 20 Greenmarket, Dundee, DD1 4QB. All correspondence signed by an individual is signed for and on behalf of Henderson Loggie LLP. Reference to a 'partner' is to a member of Henderson Loggie LLP. A list of members' names is available for inspection at each of these addresses.



BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 20 September 2022



INTERNAL AUDIT

FOLLOW UP SUMMARY

PAPER E

BOARD OF MANAGEMENT

Audit & Risk Committee Tuesday 20 September 2022



Internal Audit Outstanding Actions Follow-up Summary

Paper for information

1. Introduction

This report provides an update on the Internal Audit actions that are not yet closed off. These 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 an update on the progress of actions related to the theft of cash in the catering outlet and other related updates.

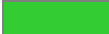


2. Recommendations

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

3. Background

The following provides a summary of the progress of Internal Audit recommendations since the June 2022 meeting.

Audit Area	Report Grades	Number of Actions Outstanding (& Priority Grades)		
		1	2	3
Student Invoicing and Debt Management	Satisfactory	-	-	3
Data Protection	Good			3
Publicity & Communications	Satisfactory			2
	Total	-	-	8

	Complete or on track to complete
	Behind schedule by < 3 months from original deadline
	Behind schedule by > 3 months, or in danger of not being delivered

Of the 8 outstanding actions, since the last Audit & Risk Committee, the following progress has been made:

- 1 is Complete
- 4 are On Target to complete

- 3 are Behind Schedule

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

4. National Fraud Initiative Update

The next (our Third) National Fraud Initiative (NFI) 2022/23 exercise is due to start in the Autumn with the College required to provide the data which will be used to identify any potential fraud matches by 18th November 2022.

The latest report by Audit Scotland on the 2020/21 NFI exercise was published on 18 August 2022. It described how the NFI has helped to identify £14.8 million of fraud, overpayment, and error in Scotland in 2020/21, and the cumulative outcomes from the NFI in Scotland are now at £158.4 million.

As part of the recommendations from the theft of cash in a catering outlet specific workshops on the delivery of the Fraud, Bribery and Corruption policy are being scheduled within the next few weeks.

The in-person/remote learning has been developed as a rise programme so that it can be delivered online. The timing of rolling this out whilst there are other mandatory training/priorities is yet to be agreed.

5. 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 and other 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 achieve/maintain compliance arrangements
- 3.5 – loss of reputation with key stakeholders
- 3.8 – breach of data security/data protection
- 4.3 – breach of ICT/Cyber security
- 4.4 – failure to support effective data security/data protection

Authors: Andy Ross, Head of ICT
Abi Mawhirt, Head of People and Organisational Development
Billy Grace, Head of Estates
Brian Ferguson, Head of Finance
Colin Lynah, Data Protection Officer

Executive Sponsor: Jaki Carnegie, Vice Principal – Corporate Services

Outstanding Recommendations Update

Year	Audit Area Report Title	Priority Action Grade	Report Grade	Action	Responsible Officer	Deadline	Progress (as at September 2022)
2022/04	R1 - Student Invoicing and Debt Management	3	Satisfactory	The introduction of a facility which would allow online payment of student fees, through the online portal, should be explored in conjunction with IT to determine whether this is a feasible project to build into future plans for system development	Head of Finance and Head of ICT	July 2022 Phase 1- October 2022 Phase 2 – January 2023	<u>Behind Schedule</u> Phase 1 – visibility of debt The data cleanse and development has been completed. Awaiting confirmation that data checks were successful before publishing. Data checks are underway. Phase 2 – online payment of fees functionality will be delivered once fee visibility has been completed. This will be scheduled to be complete in early 2023.
2022/04	R2 – Student Invoicing and Debt Management	3	Satisfactory	Consideration should be given to making information on the status of fees available to Administration staff through the College data layer and students through their online portal, including how much students have already paid and are still due to pay.	Head of ICT (supported by Kick, Finance Team)	July 2022 October 2022	<u>Behind Schedule</u> Report created. Awaiting final data check before publishing.
2022/04	R3 – Student Invoicing and	3	Satisfactory	A review of the College’s written debt management	Head of Finance	August 2022	<u>Behind schedule</u> Other priorities have

Year	Audit Area Report Title	Priority Action Grade	Report Grade	Action	Responsible Officer	Deadline	Progress (as at September 2022)
	Debt Management			procedures should be conducted, and the document should be updated to reflect the changes in working practices which have been brought in as a result of remote working and the impact of the COVID-19 pandemic.		January 2023	frustrated progress and have been exacerbated by recent staff changes. This will be picked up when new staff are in post.
2022/05	R1 - Data Protection	3	Good	Consider establishing a data privacy network to support the Data Protection Officer, comprising data protection leads within key departments who would be responsible for communicating training to team members and for assisting the DPO with data breaches, subject access requests, supporting the DPO with the maintenance of the Record of Processing Activities (RoPA) and compliance monitoring.	Head of ICT	September 2022	<u>On Track</u> Proposed membership drawn up from key areas. Initial meeting to be scheduled post October break.
2022/05	R2 – Data Protection	3	Good	An annual Data Protection Compliance report should be developed and formally reported to the Audit & Risk Committee. The report should	Data Protection Officer / VP People & Performance	September 2022	<u>Complete</u> Report included in agenda for September meeting and will be included annually thereafter.

Year	Audit Area Report Title	Priority Action Grade	Report Grade	Action	Responsible Officer	Deadline	Progress (as at September 2022)
				include relevant data protection progress updates, as well as summarising key compliance metrics relating to data breaches, subject access requests and staff training.			
2022/05	R3 – Data Protection	3	Good	A data protection compliance monitoring procedure and audit plan should be developed, which reflects and builds upon existing practices, and which identifies the form, frequency and method of compliance monitoring and describes how results should be reported. The procedures for compliance monitoring should outline the roles and responsibilities of the members of the Data Privacy Network (see R1) in monitoring compliance within their respective areas of the College.	Data Protection Officer / VP People & Performance	December 2022	<u>On Track</u> Data protection compliance monitoring procedure and rolling internal audit plan is currently being worked on with target to complete by due date
2022/06	R1 – Publicity and Communications	3	Satisfactory	The Internal Communication Policy should be reviewed to ensure that it adequately reflects the most recent developments in the	Head of People and Organisational Development	September 2022	<u>On Track</u> Scheduled to be finalised for publication by the end of the September 2022

Year	Audit Area Report Title	Priority Action Grade	Report Grade	Action	Responsible Officer	Deadline	Progress (as at September 2022)
				communication processes within the College.			
2022/06	R2 – Publicity and Communications	3	Satisfactory	We recommend that consideration should be given to the development of a bespoke training programme on communication, including contemporary digital communication methodologies, and this training should be made available to management and staff at all levels across the College.	Head of People and Organisational Development	July 2023	<u>On Track</u> The planning phase underway.

Theft of Cash: Progress of Recommendations (reported to June 2022 Audit & Risk Committee)

Appendix 2

	Recommendation	Responsible Officer	Deadline	Progress (as at September 2022)
1, 2 & 5	Consistent procedures are produced and adopted for use in all student catering outlets and all staff operating a till are clear on the procedures and undertake refresher training. Staff are made aware that not following procedures would be regarded as a disciplinary issue.	Catering Manager	August 2022	<u>Complete</u> Procedures have been developed and shared with staff along with refresher training for all staff on till operation. Staff aware of implications of not following procedures.
8	Formal weekly recorded reviewing of reports on transactions, trends, void/ refund statistics alongside spot checking till reconciliations is built into the processes and responsibilities.	Catering Manager + Catering Supervisors	August 2022	<u>Complete</u> Catering Manager and Supervisor are undertaking daily and weekly reviews as described as well as carrying out spot checks.
6	Investigate the wired network connections to the till to improve the speed of processing.	Head of ICT	August 2022	<u>Complete</u> New Chip + Pin terminals have significantly improved performance
7	Consider installing CCTV cameras within all student catering outlets.	Head of Estates	November 2022	<u>On Track</u> Installations planned for October and November
3, 4 & 9	Gaps in awareness of college policies and procedures is identified and training and support provided by the People team. Formal communication such as an email/paper copy should follow any formal training or instruction. Training is provided to all student catering outlet staff linked to the College's Fraud, Bribery and Corruption Policy.	Head of Estates HR Manager VP Corporate Services	Ongoing September / October 2022	<u>On Track</u> Training is being scheduled for end September/October

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 20 September 2022



INTERNAL AUDIT

2022/23 ANNUAL AUDIT PLAN

PAPER F

Dundee and Angus College

Internal Audit Annual Plan 2022/23

Internal Audit Report No: 2023/01

Draft issued: 19 August 2022

2nd Draft issued: 5 September 2022

Final issued:



Contents

		Page
Section 1	Introduction	1
Section 2	Strategic Plan 2021 to 2024	2 - 3
Section 3	Outline Scope and Objectives	4
	• Health, Safety and Wellbeing	4
	• Teaching Staff Utilisation	5
	• Estates Strategy / Capital Projects	6
	• Cash and Bank	7
	• Partnership Working (incl. Regional Engagement) – Tay Cities Deal	8
	• Credits Audit	9
	• Student Support Funds Audit	10
	• EMA Audit	11
	• Follow-Up Reviews	12



Introduction

- 1.1 The purpose of this document is to present for consideration by management and the Audit & Risk Committee the annual operating plan for the year ended 31 July 2023. The plan is based on the proposed allocation of audit days for 2022/23 as set out in the Internal Audit Strategic Plan 2021 to 2024. The preparation of the Strategic Plan involved dialogue with the College Executive Team and review of previous internal and external audit reports. The Audit & Risk Committee discussed and approved the proposed three-year Strategic Plan at its meeting in December 2021.
- 1.2 The annual operating plan for 2022/23 shows one change to the allocation set out in the original Strategic Plan. A review of cash collection at the catering outlets on the Gardyne, Kingsway and Arbroath campuses has been added at the request of College management.
- 1.3 A copy of the revised Internal Audit Strategic Plan is included at Section 2 of this report.
- 1.4 At Section 3 of this report we have set out the outline scope and objectives for each audit assignment to be undertaken during 2022/23, together with the proposed audit approach. The outline scopes will be refined and finalised after discussion with responsible managers in each audit area prior to each audit.
- 1.5 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.



Strategic Plan 2021 to 2024

			Actual	Planned	Planned
	Category	Priority	21/22	22/23	23/24
			Days	Days	Days
Reputation					
<i>Publicity and Communications</i>	Gov	H	4		
<i>Health and Safety / Wellbeing</i>	Gov	M		4	
Student Experience					
<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			
Staffing Issues					
<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	
Estates and Facilities					
<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			
Financial Issues					
<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 & Bank / Treasury management</i>	Fin	L		3	
<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	Actual 21/22 Days	Planned 22/23 Days	Planned 23/24 Days
Commercial Issues					
Business Development	Fin/Perf	L			
External Activities	Gov/Fin/Perf	M			4
Organisational Issues					
Risk Management	Perf	L			
Business Continuity	Perf	L			
Corporate Governance	Gov	L			
Corporate Planning	Perf	L			
Performance reporting / KPIs	Perf	L			
Partnership Working (incl. Regional Engagement) – Tay Cities Deal	Gov/Perf	L		5	
Equalities	Gov	L			
Environmental Sustainability	Gov/Perf	M			5
Future ways of working*	Perf	L			5
Information and IT					
Cyber security	Perf	M	5		
Data protection	Gov	M	5		
FOI	Gov	L			
Digital Strategy implementation*	Perf	M			
Licencing	Perf	L			
Other Audit Activities					
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		
Total			42	43	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



Outline Scope and Objectives

Audit Assignment:	Health, Safety and Wellbeing
Priority:	Medium
Fieldwork Timing	January 2023
Audit & Risk Committee Meeting:	March 2023
Days:	4

Scope

This audit will review the arrangements in place within the College to deal with Health, Safety and Wellbeing, particularly focused on reporting Accidents/Incidents/Near Misses (AINM), investigating, and identifying and sharing lessons learned.

Objectives

The main objective of this audit will be to review the College’s overall arrangements for dealing with Health, Safety and Wellbeing and to consider whether these are adequate and operating effectively in practice at each main campus site.

We will seek to obtain reasonable assurance that the College has:

- a Health, Safety and Wellbeing policy and documented procedures which are communicated to all staff;
- a formal risk identification and assessment process;
- a Health, Safety and Wellbeing training programme which includes induction training, refresher training and training for new equipment and legislation;
- regular monitoring of Health, Safety and Wellbeing systems to ensure that they are functioning effectively including Health and Safety audits, carried out either internally or by external agencies such as the Health and Safety Executive;
- an incident and accident recording system with follow-up and implementation of new controls where required; and
- regular reporting of Health, Safety and Wellbeing to the College Executive Team and to the Board of Management.

Our audit approach will be:

From discussion with the Health and Safety Officer, and review of procedural documentation, we will identify the 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.



Internal Audit Annual Plan 2022/23 - DRAFT

Audit Assignment:	Teaching Staff Utilisation
Priority:	Medium
Fieldwork Timing	April 2023
Audit & Risk Committee Meeting:	June 2023
Days:	5

Scope

The scope of this assignment will be to carry out a review of the effectiveness of the College’s current policy and procedure for timetabling arrangements and the preparation of staff allocation models.

Objectives

To objectives of the review will be to ensure that:

- The anticipated outcomes for all internal stakeholders from the timetabling and staff utilisation processes are clearly defined and connect to the staffing budget;
- The process reflects an effective timetabling and staff allocation modelling process which delivers efficient staff utilisation; and
- Arrangements are in place to deliver consistency in the timetabling and staff utilisation processes.

Our audit approach will be:

We will review relevant documentation including the Timetabling Policy, Timetabling Instructions, associated reports etc and will discuss the application of the policy and procedures with key staff nominated by the College.

We will form conclusions on the effectiveness of the College Teaching Staff utilisation arrangements.



Internal Audit Annual Plan 2022/23 - DRAFT

Audit Assignment:	Infrastructure Strategy / Capital Projects
Priority:	High
Fieldwork Timing	January 2023
Audit & Risk Committee Meeting:	March 2023
Days:	5

Scope

The scope of the audit will be to review and test the policies and procedures in place for the planning, control and monitoring of capital projects relating to the College infrastructure.

Objectives

The specific objectives will be to ensure that the policies and procedures are in line with Scottish Funding Council and other good practice guidance in relation to:

- the Infrastructure Strategy, including that it has been developed and aligned with key strategic priorities and also takes cognisance of supporting strategies and plans (such as the financial plan, curriculum planning, digital strategy and people strategy);
- the capital project identification and appraisal process, including the information provided to management and the Board of Management and its committees for decision making purposes;
- risk management and contingency planning on capital projects;
- the selection and management of consultants and contractors, including the tendering process and performance management; and
- the monitoring of progress made on projects and expenditure against budget, by management and Board committees.

Our audit approach will be:

We will review relevant documentation including, relevant Strategies, policies, procedures, capital project appraisal documents etc. relating to capital projects and will discuss the procedures adopted with staff.

We will consider whether the policies and procedures are in line with good practice in relation to planning, control and monitoring of capital projects and, for a sample of recent capital projects, we will test compliance with these.



Internal Audit Annual Plan 2022/23 - DRAFT

Audit Assignment:	Cash and Bank
Priority:	High
Fieldwork Timing	October 2022
Audit & Risk Committee Meeting:	December 2022
Days:	3

Scope

The scope of the audit will be to review the key internal controls in place over the recording of cash, credit / debit card payments and meal vouchers received from students and staff at the catering outlets on the Gardyne, Kingsway and Arbroath campuses.

Objectives

The objectives of the audit will be to ensure that:

- till procedures are adequate and staff are trained and understand how to process cash and cash equivalent transactions (including meal vouchers)
- weekly and ad hoc analysis of transactions are undertaken and recorded to identify unusual activity (including refunds/voids) or the need for further investigation or training;
- staff understand the need for internal control systems to minimise the risk of theft
- monies collected by the College are fully, accurately and timeously recorded;
- all monies received are banked intact and in a timely manner; and
- regular reconciliations are carried out between actual receipts and amounts recorded in the College's finance system.

Our audit approach will be:

We will speak to the VP Corporate Services to understand the findings from the 2022 catering outlet theft investigation, document the systems and key controls in place through interviews with staff and review of relevant documentation and consider their adequacy.

We will then perform compliance testing as appropriate to establish whether the identified controls are operating effectively in practice.



Audit Assignment:	Partnership Working (incl. Regional Engagement) – Tay Cities Deal
Priority:	Low
Fieldwork Timing	November/December 2022
Audit & Risk Committee Meeting:	March 2023
Days:	5

Scope

The scope of this audit will be to carry out a high-level review of the effectiveness of the College’s partnership working arrangements, including how the College works with partners under the Tay Cities Deal.

Objectives

The overall objective of the audit will be to establish whether the College’s arrangements for partnership working are effective. The specific objectives of the audit will be to gain reasonable assurance that:

- senior management and Board members are committed to partnership working;
- for relationships with key partners, including under the Tay Cities Deal, there are:
 - ◆ appropriate arrangements in place including, where appropriate, agreements, priorities, strategies, operating plans and working structures;
 - ◆ effective governance arrangements, including adequate reporting against agreed performance measures and targets and monitoring of this information;
 - ◆ robust communication channels, including processes to escalate issues;
 - ◆ ongoing monitoring of the effectiveness of partnership working and consideration of possible improvements; and
 - ◆ adequate resources (funding, assets and staffing) to enable effective working.

Our audit approach will be:

We will review the partnership working arrangements in place with a sample of key partners through discussion with members of the College Executive Team, and review of supporting information, and form conclusions based on the evidence obtained on the effectiveness of the College’s partnership working arrangements.



Audit Assignment:	Credits Audit
Priority:	Required annual audit
Fieldwork Timing	August / September 2023
Audit & Risk Committee Meeting:	November 2023
Days:	8

Scope

Credits Audit Guidance, issued by SFC, requests that colleges obtain from their auditor’s 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.



Internal Audit Annual Plan 2022/23 - DRAFT

Audit Assignment:	Bursary, Childcare and Hardship Funds Audit
Priority:	Required audit
Fieldwork Timing	August / September 2023
Audit & Risk Committee Meeting:	November 2023
Days:	6

Scope of the Audit

We will carry out an audit on the College’s student support funds for the year ended 31 July 2023 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 2023 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.



Internal Audit Annual Plan 2022/23 - DRAFT

Audit Assignment:	EMA Audit
Priority:	Required audit
Fieldwork Timing	August / September 2023
Audit & Risk Committee Meeting:	November 2023
Days:	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.



Internal Audit Annual Plan 2022/23 - DRAFT

Audit Assignment:	Follow-Up Reviews
Priority:	Various
Fieldwork Timing	July/August 2023
Audit & Risk Committee Meeting:	September 2023
Days:	2

Scope

This review will cover reports from the 2021/22 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.



Aberdeen 45 Queen's Road AB15 4ZN

Dundee The Vision Building, 20 Greenmarket DD1 4QB

Edinburgh Ground Floor, 11-15 Thistle Street EH2 1DF

Glasgow 100 West George Street, G2 1PP

T: 01224 322 100

T: 01382 200 055

T: 0131 226 0200

T: 0141 471 9870

F: 01224 327 911

F: 01382 221 240

F: 0131 220 3269

Henderson Loggie LLP is a limited liability partnership registered in Scotland with registered number SO301630 and is a member of PrimeGlobal, a global association of independent accounting firms, the members of which are separate and independent legal entities. Registered office is: The Vision Building, 20 Greenmarket, Dundee, DD1 4QB. All correspondence signed by an individual is signed for and on behalf of Henderson Loggie LLP. Reference to a 'partner' is to a member of Henderson Loggie LLP. A list of members' names is available for inspection at each of these addresses.



BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 20 September 2022



STRATEGIC & COVID RISK REGISTERS

PAPER G

BOARD OF MANAGEMENT

Audit and Risk Committee

Tuesday 20 September 2022



Strategic Risk Register Update

Paper for approval

1. Strategic and COVID-19 Risk Registers

A copy of the September 2022 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 with amendments highlighted as noted below.

2. Brexit Risk

The risk likelihood for the Brexit risk was reduced in March 2022 based on experience of the impact over the previous 12 months. No further change is proposed at this time, and this risk will remain under review.

3. Credit Target Risks

Members of the Committee will be aware that 2021/2022 full-time student recruitment has been impacted by COVID-19. Discussions between Colleges Scotland and SFC resulted in the introduction of a number of flexibilities and additional credit bearing opportunities being approved last academic year, with these being continued into AY 2022/2023.

Recruitment for AY 2022/23 has again proven to be very challenging with full-time student numbers again reduced on the previous year (by c550) students.

Whilst the flexibilities identified in 2021/22 will assist the College in meeting its targets and reducing the risk of any clawback of funds, this does remain as a potential risk for the year ahead and will remain under constant review.

Reduced recruitment has placed even more significance on the early retention of learners, and this is a key priority for all services and staff within the College. Plans and actions in respect of this have been discussed with the Learning, Teaching and Quality Committee.

4. Financial Sustainability Risk

College Risk Management practice requires that any strategic risks that remain as Major or Fundamental post mitigation will be reported to the Committee at each meeting.

Following the decision of the Board of Management in March 2022 to recommend increasing the post mitigation risk in respect of future financial sustainability, the post mitigation likelihood was increased from 3 to 4 and the overall risk rating increased to 16. This moved this risk into

the Major Risk (**Red**) category, and it is not yet proposed that this risk be reduced.

The need to address the impact of cuts in sector funding, and the need to support areas of future opportunity and development, have been the subject of major review, resulting in consultation with staff and unions around a wide range of savings and additional income proposals.

The activities developed to address the funding cuts and financial sustainability risk will cut across a range of areas, and arrangements are in place to support arrangements and minimise adverse risk in areas such as HR practice and industrial relations (Risks 3.3 and 3.7) and PR / publicity (Risk 3.5).

The savings plan proposals and progress updates have been shared with all Board members and included for discussion at the Finance & Property and Human Resource & Development Committees. This item will also be discussed at the Board meeting on 27 September.

5. Cost of Living Crisis

Significant discussions are progressing around the College's response to the cost of living crisis, and the impact of increasing fuel and other costs. The College is supporting a response to this where possible, including work in close partnership with our local authorities and a wide range of community groups.

Whilst no change in risk ratings is proposed at this point in time, the risks associated with increased costs will continue to be monitored, particularly in respect of learner retention and staff salary costs/demands. The financial impacts of increasing costs for the College are subsumed within the financial sustainability risk outlined above.

6. Strategic Risk Register

Following discussion at the May 2022 Audit & Risk Committee meeting it was proposed that an additional risk in respect of pandemic management be included within the Strategic Risk Register. This has been added at point 3.11 on the enclosed Strategic Risk.

7. Covid-19 Risk Register

With the removal of most COVID-19 restrictions, a reduction in case numbers, and the inclusion of a pandemic management risk within the Strategic Risk Register it is proposed that the COVID-19 Specific Risk Register be discontinued from September 2022. This will, however, continue to be reviewed and may be reintroduced should it be required.

Alongside the removal of the Risk register, it is planned that additional updates on COVID-19 issues be dropped from future Committee and Board agendas unless there is a specific item or requirement to be reported.

There are no proposed changes to the COVID-19 Risk Register.

8. Approvals

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

- Approval of the Strategic Risk Register
- Approval of the proposal to remove the COVID-19 Specific Risk Register

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



STRATEGIC RISK REGISTER COVID 19 SPECIFIC MITIGATIONS

2021 - 2022

As at September 2022

Post Holders					Score	Impact	Likelihood
ELT	Executive Leadership Team	Prin	Principal				
SLT	Senior Leadership Team	DirC&A	Directors of Curriculum & Attainment		1	Routine	Remote
Board	Board of Management	HoICT	Head of ICT		2	Minor	Unlikely
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
1	Strategic and Structural								

1.1 LT&Q	<p>Failure of College strategy to meet the needs of the D&A Region and/or national priorities (eg Employability, DYW, attainment, articulation)</p> <p>Post mitigation likelihood reduced from 3 to 2 given experience to date during the pandemic</p>	4	4	16	<ul style="list-style-type: none"> Regular strategic analysis and assessment of need for change Strong engagement with government and key partners – influencing national priorities Clear prioritisation of activities Focus on core business 	4	2	8	<ul style="list-style-type: none"> Regular monitoring of recruitment, retention, ROA Outcomes and key strategic needs by SLT and reporting to Chairs Amendment of strategic direction/plans Rolling curriculum, activity and priority review and implementation of new approaches/services where needed Engagement with government and other partners 	Principal & Chair
1.4 Board	<p>Difficulties or over commitment arising within large scale/national College led initiatives or projects impact negatively on:</p> <ul style="list-style-type: none"> Ability of the College to meet key regional strategies/objectives Financial loss or unmanageable financial risk Reputational loss <p>Post mitigation impact reduced from 4 to 3 given experience to date during the pandemic</p>	4	3	12	<ul style="list-style-type: none"> Clear prioritisation of activities Effective project/activity management in place Strong engagement with partners/funders Clear governance structures Project/initiative finances clearly understood and reviewed regularly Project cessation, pausing or contingency planning in place 	3	2	6	<ul style="list-style-type: none"> Regular project updates at Executive/Board level Monitoring of project activities, plans and outcomes Budget reporting and management 	Principal, VPC&A

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

Post Holders	ELT	Executive Leadership Team	Prin	Principal	Score	Impact	Likelihood
	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
1	Strategic and Structural								

1.7 Board	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"> Regular strategic analysis and assessment of need for change Strong engagement with government and key partners – influencing national priorities Clear prioritisation of activities Focus on core business Revised economic and social recovery activities 	3	2	6	<ul style="list-style-type: none"> Regular monitoring of new/updated activities and outcomes Amendment of strategic direction/ plans Rolling curriculum, activity and priority review and implementation of new approaches/services where needed Engagement with government and other partners Employer and Community engagement 	Principal
--------------	---	---	---	----	---	---	---	---	---	-----------

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

2.2 F&P	Failure to achieve institutional sustainability	5	4	20	<ul style="list-style-type: none"> Protection of funding through dialogue with government, SFC and other funders Robust and effective budgetary control Where required, swift action to implement savings Increased focus on cash position 	4	4	16	<ul style="list-style-type: none"> Monthly monitoring of budgets Engagement with government and other partners Detailed monitoring of income optimisation and savings programmes 	VPCS
2.4 A&R	Financial Fraud	4	3	12	<ul style="list-style-type: none"> Revised financial controls: segregation of duties and review of transactions. Review of impact of changes in ways of working, authorisation arrangements Whistleblowing arrangements 	3	2	6	<ul style="list-style-type: none"> Continuous review of financial controls and revised arrangements 	VPCS

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
3	People and Performance									
3.1 LT&Q	Failure to reach aspirational standards in learning, teaching and service delivery	4	3	12	<ul style="list-style-type: none"> • Clear input and engagement with revised quality arrangements and priority actions • Rigorous CPD arrangements in place to support new ways of working • Regular learner feedback and engagement arrangements 	3	2	6	<ul style="list-style-type: none"> • Comprehensive monitoring of engagement of learners in learning (where possible) • Engagement with revised quality arrangements • Outcome monitoring 	VPC&A, VPP&P, DirC&A
3.2 LT&Q	Failure to achieve/maintain compliance arrangements, e.g. contracts; awarding bodies; audit.	4	3	12	<ul style="list-style-type: none"> • Engagement and communication strategy with compliance bodies • Clear input and engagement with revised quality arrangements and priority actions • Prioritisation of activities/outcomes 	2	2	6	<ul style="list-style-type: none"> • Effective internal monitoring/review/verification arrangements • Engagement with revised quality arrangements and contingency plans • Outcome monitoring/recording 	VPP&P, VPC&A

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

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

Post Holders	ELT	Executive Leadership Team	Prin	Principal	Score	Impact	Likelihood
	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
3	People and Performance (cont.)									
3.7 HRD	Industrial Relations Problems (including industrial action)	4	5	20	<ul style="list-style-type: none"> Adherence to legislative and good practice requirements Positive Union relations and staff communication Effective management engagement and support 	4	2	8	<ul style="list-style-type: none"> Regular union/management dialogue Open communication with staff Effective management engagement and support 	VPP&P
3.8 A&R	Breach of data security / data protection	5	4	20	<ul style="list-style-type: none"> Effective management of GDPR compliance Additional awareness raising of WFH risks Mandatory staff CPD and awareness raising on data protection (relative to role) 	4	2	8	<ul style="list-style-type: none"> Active data protection awareness raising Effective information and data security policies in operation Regular data security monitoring/testing Staff CPD 	VPC&A, HoICT
3.11 HRD	Significant or catastrophic Covid 19 outbreak/infection rate impacts on ability to deliver learning, teaching or other core services	4	3	12	<ul style="list-style-type: none"> Clear scenario and contingency planning COVID 19 H&S mitigations in place, monitored and adapted where required All appropriate government guidance followed 	3	1	3	<ul style="list-style-type: none"> Monitoring of COVID 19 cases and absences Outbreak management arrangements Amendment to support prioritised services 	Principal VPC&A

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

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

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
3	People and Performance (cont.)									
3.12 HRD	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"> • New ways of Working Workstream • Updated and flexible Workforce planning • Extensive engagement with unions / staff on future ways of working • Monitoring and rapid action on staff turnover / recruitment 	3	2	6	<ul style="list-style-type: none"> • Regular monitoring and evaluation of new/updated ways of working, activities and outcomes • Amendment of direction/ workforce plans • Engagement with unions/staff • Monitoring and rapid action on staff turnover / recruitment 	VPP&P VPC&A

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

Post Holders	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	Responsibility
4	Infrastructure									

4.3 A&R	Breach of ICT/Cyber security	4	3	12	<ul style="list-style-type: none"> • Effective management of ICT arrangements • Active ICT/data security monitoring and cyber security policy • Additional awareness raising of WFH risks and COVID related 'scams' 	4	2	8	<ul style="list-style-type: none"> • Staff awareness raising/CPD on cyber security issues • Regular security monitoring/testing • Cyber resilience plan 	VPC&A, HoICT
4.5 LT&Q	ICT/Cyber failure significantly disrupts online learning, teaching or other core services	4	3	12	<ul style="list-style-type: none"> • 'Cloud first' strategy implementation for major services/systems • Clear and robust management of ICT systems 	3	1	3	<ul style="list-style-type: none"> • Systems monitoring • On-going cyber resilience and systems development 	HoICT



STRATEGIC RISK REGISTER

2021 - 2022

As at September 2022

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	Mitigation Actions	Impact	Likelihood		Score
1	Strategic and Structural								

1.1 LT&Q	Failure of College strategy to meet the needs of the D&A Region and/or national priorities (eg Employability, DYW, attainment, articulation)	4	4	16	<ul style="list-style-type: none"> Robust strategic planning Effective environmental scanning Strong partnerships Clear links between strategy and practice Concerted demands for increased activity levels 	4	2	8	<ul style="list-style-type: none"> Robust monitoring via ROA Clear performance metrics Amendment of strategic direction/plans Rolling curriculum review 	Principal & Chair
1.2 Board	College may be disadvantaged by changes to either UK or Scottish Government policies	4	3	12	<ul style="list-style-type: none"> Effective environmental scanning Negotiation/influence at national level 	4	2	8	<ul style="list-style-type: none"> Review of changes and amendment of strategic direction/plans Financial strategy sensitivities 	Principal & Chair
1.3 Board	College disadvantaged by changes arising from UK leaving European Union	5	4	20	<ul style="list-style-type: none"> Negotiation/influence at national level Review of activities/projects Responsiveness to new opportunities 	5	2	10	<ul style="list-style-type: none"> Review of changes and amendment of strategic direction/plans/ curriculum Financial strategy Workforce planning International strategy & planning Post Brexit planning 	Principal

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			Lead Responsibility	
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood		Score
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"> Ability of the College to meet key regional strategies/objectives Financial loss or unmanageable financial risk Reputational loss 	4	3	12	<ul style="list-style-type: none"> Effective project/activity management in place Clear governance structures Project/initiative finances clearly incorporated within College financial strategy and plans End of project and exit/contingency planning 	3	2	6	<ul style="list-style-type: none"> Regular project updates at Executive/Board level Monitoring of project activities, plans and outcomes Clear project Management arrangements in place Budget reporting and management 	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"> Negotiation/influence at national level Review of activities/projects and response to new opportunities 	4	1	4	<ul style="list-style-type: none"> Robust monitoring via ROA Amendment of strategic direction/plans Rolling curriculum review 	Principal

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
1	Strategic and Structural									
1.6 Board	Failure of D&A plans and activities to deliver on required carbon reductions and sustainability actions necessary to meet national targets and achieve College climate emergency ambitions.	4	3	12	<ul style="list-style-type: none"> Robust CEAP in place Multiple strands of activity/action Embedding sustainable practices in normal activity and ways of working Clear links between strategy and practice Planned investment in carbon reduction Sustainable procurement 	4	2	8	<ul style="list-style-type: none"> Robust monitoring and reporting of CEAP at SLT and Board level Clear performance metrics Amendment of strategic direction/ plans Monitoring of scope 3 emissions 	VPCS, HoE

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

Post Holders	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			Responsibility	
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood		Score
2	Financial								

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

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

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

2.4 A&R	Financial Fraud	4	3	12	<ul style="list-style-type: none"> Strong financial controls: segregation of duties and review of transactions. Review of impact of any changes in structure or duties Whistleblowing arrangements 	3	2	6	<ul style="list-style-type: none"> Continuous review of financial controls Internal Audit programme 	VPCS
2.5 F&P	D&A Foundation refuses/withholds funding for key College priorities	5	3	15	<ul style="list-style-type: none"> On-going dialogue with Foundation Trustees Appropriate bid arrangements in place 	3	2	6	<ul style="list-style-type: none"> Monitor and advise Board of Management 	Prin & VPCS
2.6 F&P	Demands of capital developments / maintenance impacts on financial sustainability or delivery of learning and/or services	3	2	6	<ul style="list-style-type: none"> Multi-year estates strategy and capital planning Lobbying of SFC on capital and backlog maintenance funding Planning for D&A Foundation bids 	2	2	4	<ul style="list-style-type: none"> Monitoring of capital plans and expenditures Regular review of capital plans/timescales relative to funds 	VPCS

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

Post Holders	ELT	Executive Leadership Team	Prin	Principal	Score	Impact	Likelihood
	SLT	Senior Leadership Team	DirC&A	Directors of Curriculum & Attainment	1	Routine	Remote
	Board	Board of Management	HoICT	Head of ICT	2	Minor	Unlikely
	VPP&P	Vice Principal People & Performance	HoE	Head of Estates	3	Significant	Possible
	VPCS	Vice Principal Corporate Services	Chair	Chair of the Board of Management	4	Major	Probable
	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
3	People and Performance									
3.1 LT&Q	Failure to reach aspirational standards in learning, teaching and service delivery	4	3	12	<ul style="list-style-type: none"> Clear quality arrangements and priority actions Continuous self-evaluation and action planning Rigorous CPD arrangements in place Regular classroom observation and learner feedback arrangements 	3	2	6	<ul style="list-style-type: none"> Comprehensive monitoring of key PIs and student/staff feedback Regular Stop and Review events External review and validation findings 	VPC&A, VPP&P, DirC&A
3.2 LT&Q	Failure to achieve/maintain compliance arrangements, e.g. contracts; awarding bodies; audit.	4	3	12	<ul style="list-style-type: none"> Robust strategic planning and monitoring Effective environmental scanning Strong partnerships Clear links between strategy and practice Concerted demands for increased activity levels 	2	2	4	<ul style="list-style-type: none"> Effective internal monitoring/review/verification arrangements External review findings 	VPP&P, VPC&A
3.3 A&R	Legal actions; serious accident; incident or civil/criminal breach	4	5	20	<ul style="list-style-type: none"> Adherence to legislative and good practice requirements Positive Union relations and staff communication Effective management development programmes 	3	2	6	<ul style="list-style-type: none"> Monitoring and reporting in key areas – eg H&S, equalities, employee engagement Continuous professional development Internal audit programme Staff surveys 	Prin, VPP&P, VPCS, HoE

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
3	People and Performance (cont.)									

3.4 HR&D	Failure to meet the aspirational standards in respect of the health, safety, wellbeing and development of staff and students	3	4	12	<ul style="list-style-type: none"> Clear and proactive approaches to managing and promoting health, safety and wellbeing Continuous self-evaluation and action planning Rigorous CPD arrangements in place Regular staff and learner feedback arrangements 	3	2	6	<ul style="list-style-type: none"> Regular employee engagement monitoring Open communication with staff Comprehensive monitoring of key PIs and student/staff feedback Regular union/management dialogue 	VPP&P, VPCS
3.5 Board	Reputational Risk – Loss of reputation with key stakeholders	4	3	12	<ul style="list-style-type: none"> Marketing strategy Reputation plan Positive marketing approaches 	4	2	8	<ul style="list-style-type: none"> Stakeholder engagement Social media monitoring arrangements 	VPC&A, DirC&A
3.6 HR&D	National bargaining outcomes impact adversely on College operations, activity and flexibility	4	4	16	<ul style="list-style-type: none"> Influence within Employers Association Management of bargaining outcomes and implementation 	4	3	12	<ul style="list-style-type: none"> Positive union relations and staff communication On-going discussions with staff Innovation in approaches 	VPP&P, VPC&A

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

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

Post Holders					Score	Impact	Likelihood
ELT	Executive Leadership Team	Prin	Principal				
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	Mitigation Actions	Impact	Likelihood		Score	
3	People and Performance (cont.)									
3.10 HR&D	College arrangements do not minimise risk associated with Modern Slavery	4	3	12	<ul style="list-style-type: none"> Clear and compliant procurement arrangements and procedures Staff identity checking arrangements and use of PVG. 	4	1	4	<ul style="list-style-type: none"> Annual procurement monitoring/reporting Regular employee engagement monitoring Open communication with staff 	VPC&A, VPP&P
3.11 Board	Failure to plan or respond adequately to future pandemic illness. New risk added to reflect pandemic management following removal of COVID specific RR	5	4	20	<ul style="list-style-type: none"> Monitoring and rapid response to WHO and UK/Scottish Government information and alerts Maintenance of COVID-19 good practice approaches to inform future use Effective business continuity planning in place 	4	2	8	<ul style="list-style-type: none"> Pandemic readiness / response included in business continuity plan reviews and testing COVID/Pandemic Response Group in place Active monitoring and rapid adoption of pandemic guidance / control measures 	Principal

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	Responsibility
4	Infrastructure									

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

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

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 20 September 2022



ANNUAL DATA PROTECTION COMPLIANCE REPORT

PAPER H

BOARD OF MANAGEMENT
Audit & Risk Committee
Tuesday 20 September 2022



Annual Data Protection Compliance Report

Paper for approval

1. Audit

The first internal audit of the Data Protection function since 2018 was conducted in April/May 2022. The aims of the audit were to obtain reasonable assurance that the College had taken appropriate action to comply with the Data Protection Act (2018) and UK GDPR and that adequate procedures are in place for the ongoing monitoring of compliance with data protection legislation. It focused on the controls in place to mitigate the following risks on the College's Strategic Risk Register:

- 3.8 – breach of data security / data protection (risk rating: low) ;
- 4.4 – ICT infrastructure fails to support effective data security / data protection (risk rating: low)

The overall level of assurance identified by the audit was “Good” in each of these areas.

Opportunities for improvement were identified in each of the following areas:

- Establish a data privacy network
- Annually report to the Audit & Risk Committee
- Develop more formal procedures to ensure ongoing compliance monitoring

This report fulfils the second of these, while the remaining actions will be delivered over the coming months.

2. Breaches of Security or Data Protection breaches

There have been no reportable breaches of security within the last year. Minor security and data protection issues are logged as they occur. There has been one minor, non-reportable incident in the last year.

3. Training

In the last year, all new members of staff completed mandatory Data Protection training. Data Protection was the themed mandatory training for all staff in 2021/22 and will be so again in 2024/25.

4. ICT

ICT continue to secure our networks and communications. New controls to ensure the security

of staff personal devices when connected to the network are currently being rolled out. This is expected to be completed by December 2022, with the rollout extended to secure student personal devices by the end of 2023.

Author: Colin Lynagh, Data Protection Officer
Executive Sponsor: Jaki Carnegie, Vice Principal Corporate Services