

BOARD OF MANAGEMENT

Joint Audit & Risk, and Finance & Property Committee



Tuesday 3 December 2024 in room K-TO-604 Kingsway Campus
(MS Teams option available)

4.00pm (please note early start time)

AGENDA

- 4:00 Audit & Risk Committee Members Independent Meeting with Auditors
- 4:30 Audit & Risk Committee Meeting
1. WELCOME
2. APOLOGIES
3. DECLARATIONS OF INTEREST & CONNECTION
4. MINUTE OF AUDIT & RISK COMMITTEE – 17 September 2024 Paper A for approval
5. MATTERS ARISING Paper B for information
6. AUDIT & RISK COMMITTEE ANNUAL REPORT TO THE BOARD Paper C for approval HH
7. INTERNAL AUDIT
- | | | |
|---|-------------------------|----|
| 7.1. Student Activity | Paper D for approval | HL |
| 7.2. Student Support Funds | Paper E for approval | HL |
| 7.3. Sports Centre Business Process Review | Paper F for approval | HL |
| 7.4. Follow-up Summary | Paper G for information | ST |
| 7.5. Procurement and Creditors Audit Update | Paper H for information | NA |
8. DATA REPORTING Verbal update ST
9. INTERNAL AUDIT PROCUREMENT Verbal update NA
10. STRATEGIC RISK REGISTER Paper I for approval ST
- | | | |
|-------------------------------|--|--|
| 10.1. Cover Paper | | |
| 10.2. Strategic Risk Register | | |
11. DATE OF NEXT MEETING
Tuesday 4 March 2025, K-TO-624 Kingsway Campus

Close of Audit & Risk Committee Business

5:15 Joint Audit & Risk / Finance & Property Committee Meeting

12. ANNUAL ACCOUNTS

12.1.	Internal Audit Annual Report	Paper J for approval	HL
12.2.	Forvis Mazars Annual Audit Report	Paper K for approval	MS
12.3.	Financial Statements for the Year ended 31 July 2024	Paper L for approval	NA
12.4.	Draft Letter of Representation	Verbal update	NA

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

FINANCE & PROPERTY COMMITTEE MEETING

13. WELCOME

14. APOLOGIES

15. DECLARATIONS OF INTEREST & CONNECTION

16. **MINUTES OF PREVIOUS MEETING** – 10 September 2024 Paper M for approval

17. **MATTERS ARISING** Paper N for noting

18. FINANCE

18.1.	Financial Sustainability	Verbal update	SH
18.2.	2024/25 Budget Update and Forecast Outturn Report	Paper O for information	NA
18.3.	Draft Tuition Fees 2025/26	Paper P for approval	NA

19. INFRASTRUCTURE

19.1. Estates Update Paper Q for information BG

20. GARDYNE THEATRE LIMITED UPDATE

Paper R for discussion SH

21. PROCUREMENT

NA

21.1.	Annual Procurement Report	Paper S for approval
21.2.	Procurement Update	Paper T for approval/noting
21.3.	Procurement Strategy	Paper U for approval
21.4.	Procurement Authority Thresholds	Paper V for approval

22. STRATEGIC RISK REGISTER

22.1. Strategic Risk Register Paper W for discussion ST

23. SUPPORT SERVICES REPORT

Paper X for information NA

24. **DATE OF NEXT MEETING** - Tuesday 25 February 2025, K-TO-624, Kingsway Campus

AUDIT & RISK COMMITTEE

Tuesday 3 December 2024



**MINUTE OF THE AUDIT & RISK COMMITTEE
MEETING**

PAPER A

BOARD OF MANAGEMENT

Audit and Risk Committee

Tuesday 17 September 2024 at 5.00pm via MS Teams



Minute of the Audit & Risk Committee meeting held on Tuesday 17 September 2024 at 5.00pm via Microsoft Teams.

PRESENT:

Helen Honeyman (Chair)	Margo Williamson
Derek Smith	Matthew Beattie
Sally Middleton	Jackie Buchanan
Ged Bell	

IN ATTENDANCE:

Steve Taylor (Vice Principal Support Service and Operations)	
Stuart Inglis (Henderson Loggie)	Michael Speight (Mazars)
Nicky Anderson (Director of Finance)	Penny Muir (Board Administrator)
Scott Anderson (External Independent Observer)	

1. WELCOME

H Honeyman welcomed everyone to the Audit & Risk Committee. She introduced Ged Bell (New Board Member) and Scott Anderson (External Independent Observer) to the Committee.

2. APOLOGIES

Apologies were received from Roy McLellan and Bridget Mauro (Mazars).

3. DECLARATIONS OF CONNECTION & INTEREST

S Inglis declared a connection and interest with the Internal Audit Services Procurement paper. It was noted that he would exit the meeting before this paper was considered.

4. MINUTE OF THE PREVIOUS MEETING

The minute captured on the 5th of March 2024 was recorded as an accurate minute.

5. MATTERS ARISING

All matters arising are now closed and included within the agenda.

6. INTERNAL AUDIT

6.1 Sports Centre Business Process Review

S Inglis noted that the review was almost completed and apologies from Henderson Loggie for a range of issues that had delayed production of the final report. It was confirmed that this would be issued as a draft to the College imminently, with the final report coming to the December meeting.

6.2 Internal Audit Follow-Up Report

S Inglis provided an update on the Internal Audit Follow-up report.

He provided an update on reports issued last year and those recommendations that have not yet been fully implemented.

The conclusion highlighted that good progress had been made, with 13 out of 18 actions assessed as fully implemented. Two actions, though considered, were not fully implemented and remain open for discussion.

H Honeyman expressed comfort with the progress made. S Taylor commented on the catering facilities, noting that losing a small number of items from the canteen would not justify employing additional staffing. J Buchanan inquired about a digital solution to support stock reconciliation and S Taylor noted that this could be explored.

S English highlighted there are three partially implemented recommendations stemmed from one report. S Inglis noted that the final appendix included a follow-up report, and Andy Ross (Director of Infrastructure) provided a further update indicating that one of the items might be covered by the agreement threshold of the Finance Committee. The item has been implemented, with a revised target date of 31st October, which is considered a more realistic timeline for the reports to be accomplished.

6.3 Progress Report – Procurement & Creditors / Purchasing Audit

N Anderson provided an update on the report presented in June, which was highlighted as requiring improvements. N Anderson stated the recommendations are interlinked and depend on other reports and developments, she stated the procurement support has impacted these deadlines, necessitating amendment to some completion dates.

M Williamson questioned whether the length of delays for some of the actions and sought assurance about what measures have been put in place regarding procurement. N Anderson responded that the target date is 31st August 2025. She explained that this is linked to cost-benefit analysis and the purchasing framework, which requires additional assistance from the catering team and the procurement team, making it a complex piece of work. N Anderson stated with procurement plans in place, this would be the deadline they could realistically address, acknowledging the challenges faced by the catering team.

It was further noted that the procurement policy, pending approval, would be discussed at the December meeting, with this agreement then allowing changes to be made to underpinning processes.

H Honeyman asked if anything further could be done outside the regular committee cycle. N Anderson explained that procurement responsibilities are shared with the University of Abertay, so this was unlikely. S Taylor noted that approval could be sought via email to avoid waiting until December, however, he added that once approved there was still further work to be undertaken.

J Buchanan asked about the procurement process and asked if a framework was being set up. N Anderson noted that this was the plan and stated that interim measures are in place but noted the challenges posed by the number of different suppliers.

M Williamson expressed concern about the delays, particularly noting that some deadlines have been extended by up to a year. She highlighted the importance of training and effective communication with staff to avoid recurring errors.

S Taylor noted that arrangements were not fully in College control as procurement was an external service and efforts are being made to move quicker, but that the College's ability to invest in additional services was limited. While there are always risks involved, S Taylor assured that the management process is being made more systematic and appropriate, with training and development responsibilities placed with managers and budget holders.

M Williamson noted that she was glad to hear the reassurances and work being progressed and, whilst concerns existed, she was content with the amended timescales.

The changes were agreed alongside a further update to be provided at the December meeting. **N Anderson to progress.**

6.4 2023/24 Progress Report

S Inglis provided an update on the agreed programme of work for 2023/4, highlighting that (except for the Sports Centre Operations review) all work was completed or on schedule.

He stated that work is currently being undertaken on Credits, Bursaries, and EMA audits, with the credits audit at the manager review stage. The Bursary, Childcare, Hardship Funds and EMA audit has been completed with the team awaiting the final returns from the Scottish Funding Council (SFC).

All deadlines are expected to be met unless there is a delay with the SFC.

S Taylor noted that the audit had gone well but had been a concern for the new team Leader who had taken up the role in the summer, after the previous Team leader who had been in post for c 25 years. H Honeyman expressed a huge thank you to all staff involved and asked that their thanks be passed on. **S Taylor to progress.**

The update was noted.

6.5 2024/25 Draft Audit Plan

S Inglis summarised the draft Audit Plan, highlighting the proposal to run with a one-year plan pending re-contracting for audit services. The range of audits proposed were discussed and S Inglis noted that these had been agreed with the College.

H Honeyman raised the issue of Health and Safety, expressing comfort with reviewing it every few years. S Taylor confirmed that there were no major concerns and noted that the HR Committee had received a detailed presentation on Health and Safety. This would reappear on future audit plans but was not scheduled for 2024/5.

S Taylor outlined decision-making on the audits planned, starting with staff development and CPD, which had emerged as a focus area from the staff survey. Satisfaction with CPD had declined compared to previous surveys, prompting a deeper examination.

S Taylor also highlighted payroll, specifically the transition to the iTrent payroll system, and the importance of reviewing it. Budgetary control, including budget setting and monitoring, was also an area of ongoing discussion. Additionally, the digital strategy, nearing the end of its current phase, required review, particularly considering significant developments such as AI and its potential impact on the college's teaching and learning approach.

J Buchanan asked about the implementation of the digital strategy and whether AI was addressed within it. S Taylor confirmed that AI-related issues and opportunities for students were being considered, with significant work being undertaken as part of the broader digital policy.

H Honeyman enquired about reauditing procurement once it is fully embedded, suggesting a

review 12 months later. S Taylor agreed that it could be included in the full Audit Needs Assessment going forward.

S Inglis proposed incorporating AI into the audit scope before finalisation, to which S Taylor agreed. G Bell expressed satisfaction with the progress of the digital strategy and inquired about the prioritisation of auditing its effectiveness. S Taylor acknowledged the significant advancements made, including efforts to move to cloud-based systems and the emphasis on digital learning and automation. He noted he was happy for the effectiveness of the strategy to be added into the audit scope. **S Taylor to progress.**

The audit plan was approved.

6.6 Follow Up Summary

N Anderson presented the follow up summary report, which outlined progress made against recommendations and some amended completion dates as previously discussed.

M Williamson expressed satisfaction with the assurances provided, acknowledging that circumstances had arisen but emphasised the need for ongoing monitoring.

7. ANNUAL DATA PROTECTION COMPLIANCE REPORT

S Taylor noted this paper and reported no breaches.

H Honeyman enquired about phishing activities with staff, to which S Taylor responded that it is an ongoing activity. Staff compliance has been good, and potential risks are being monitored and checked regularly.

The committee was informed that the report will be provided through the appropriate channels, with the next update expected around March 2025.

G Bell acknowledged the preventive work that had been done in this area and praised the team for their efforts.

H Honeyman also expressed appreciation and thanked the team for their contributions.

8. RISK MANAGEMENT POLICY UPDATE

S Taylor reported on several changes to the policy, including updates to cover the amended structure and technical changes were made to reflect updates from the SFC on their outcome and assurance framework,

The most significant changes arose from a risk management audit conducted in the spring, which recommended including more detailed audit information and refining the audit risk levels. These updates had been built into the revised draft, with input from S Inglis on some of the wording.

H Honeyman noted that the descriptions provided were clear and helpful.

J Buchanan enquired about the committee's internal controls, specifically asking if this process had been implemented before. S Taylor explained that the minutes of the Committee are distributed to every Board meeting, and the risk register is reviewed twice a year with discussions held. An annual report is also presented to the Audit & Risk Committee for sign-off, and the Chair of the Committee presents it to the Board for approval.

He also highlighted that joint meetings include discussions without any college officer present.

J Buchanan thanked S Taylor for the clear explanation.

S Middleton asked if all staff members have access to the policy, to which S Taylor confirmed they do. She then noted that it is everyone's responsibility to be familiar with the policy and asked if wording could be included to reflect this. S Taylor to progress.

The Committee approved the Policy subject to the minor change suggested.

9. STRATEGIC RISK REGISTER

S Taylor reported that no changes were highlighted.

Having approved changes to the risk management policy, it was suggested that the risk register be reviewed to ensure alignment between pre- and post-mitigating actions. While no significant risk, S Taylor agreed to review this further, and any updates will be presented at the next meeting. **S Taylor to progress.**

A detailed update was provided on the budget and forecast at the Finance & Property Committee meeting, with ongoing concerns about flat cash and future sustainability always present. S Taylor highlighted that this will be updated to the Board.

Regarding the cost-of-living crisis, it was noted that efforts will continue, including the provision of free breakfast and lunch at Dundee & Angus College.

S Taylor provided a RAAC update to the Board highlighting that reassessment work is ongoing and is expected to be finalised over the October break. Next steps in the management of RAAC will be confirmed and updated as and when the information becomes available.

G Bell enquired about sustainability, specifically how the risk rating could improve post-mitigation and whether external factors are involved. S Taylor explained that while the budget is managed as effectively as possible, significant savings plans had been necessary to achieve a break-even position. Forecasting indicates that if costs continue to rise, the real impact of flat cash will be evident. It is crucial to keep these risks prominently in board discussions. This update was welcomed.

The Committee approved the Strategic Risk Register and noted the updates.

10. EXTERNAL AUDIT

M Speight reported on two key issues. Firstly, regarding the RAAC, he stated it is essential to include property valuations and any new information affecting the figures. M Speight assured the Committee that, despite the tight timetable, the aim is to have the information audited before the next meeting in December 2024. It was noted that (like last year) the results may be subject to finalisation.

Secondly, on a general issue affecting all colleges in Scotland was the treatment of funds allocated to support national Job Evaluation. This was subject to discussion with SFC, and local arrangements would align with advice given nationally.

The update was welcomed.

11. INTERNAL AUDIT SERVICES PROCUREMENT (Item for consideration without auditors' present)

S Taylor highlighted this report for approval noting that the contract with Henderson Loggie for internal audit services is due to expire after completion of planned 2024/25 activity. S Taylor highlighted several key routes for procurement and options were presented in the paper.

Following discussion it was proposed to proceed with Option B—a mini competitive process involving firms on the framework. The Committee approved this with interviews with potential audit suppliers delegated to the Director of Finance and Chair of the Audit & Risk Committee to progress. The outcome will be presented at the June 2025 meeting. **S Taylor and N Anderson to progress.**

12. OTHER BUSINESS ITEM

N Anderson noted that a request had been made that day by Mazars for the Committee to complete and submit an audit assurance return. N Anderson noted that this was the same information that the committee had reviewed in detail last year.

As the document has only recently been received it was proposed that sign off of this be delegated to the Chair and the Committee confirmed that they are comfortable with this. **S Taylor to progress.**

13. DATE OF NEXT MEETING

Tuesday 3 December 2024, 4.00pm (Joint Meeting with Finance & Property Committee), Kingsway Campus

Action Point Summary

Action	Responsibility	Date
Update on progress in respect of Procurement report recommendations	N Anderson	3 December 2024
Committee thanks to be passed to those involved in Student Funding audit	S Taylor	30 September 2024
Audit Scopes and plans to be updated as per discussions	S Taylor / S Inglis	31 October 2024
Review of Strategic Risk Register scoring to be completed	S Taylor	3 December 2024
Internal Audit Services Procurement to progress	S Taylor / N Anderson	17 June 2025
Audit Assurance Questionnaire to be completed and signed off by Chair of Audit & Risk	S Taylor	30 September 2024

AUDIT & RISK COMMITTEE

Tuesday 3 December 2024



MATTERS ARISING

PAPER B

BOARD OF MANAGEMENT
Audit & Risk Committee
Tuesday 3 December 2024



Matters Arising

Paper B for information

The following actions were noted from the Tuesday 17 September 2024 Audit & Risk Committee meeting.

Agenda Item No	Action	Current status	Open / Closed
6.3	Update on progress in respect of Procurement report recommendations N Anderson	Update included in follow-up report	Closed
6.4	Committee thanks to be passed to those involved in Student Funding audit S Taylor	Thanks passed on	Closed
6.5	Audit Scopes and plans to be updated as per discussions S Taylor/ S Inglis	Scopes and timeline finalised	Closed
9.0	Review of Strategic Risk Register scoring to be completed S Taylor	Scheduled for March 2025	Open
11.0	Internal Audit Services Procurement to progress S Taylor/ N Anderson	Scheduled for 17 June 2025	Open
12.0	Audit Assurance Questionnaire to be completed and signed off by Chair of Audit & Risk S Taylor	Completed and submitted	Closed

Author & Executive Sponsor: Steve Taylor, Vice Principal Support Services and Operations

AUDIT & RISK COMMITTEE

Tuesday 3 December 2024



**AUDIT & RISK COMMITTEE ANNUAL REPORT
TO THE BOARD**

PAPER C

BOARD OF MANAGEMENT

Tuesday 3 December 2024



Annual Report from the Audit & Risk Committee

Paper for approval

1. Introduction

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

2. Recommendation

Members are asked to discuss and agree the contents of this report for submission to the Board of Management in December 2024.

3. Background

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

This report is intended to be presented to the Board by the Chair, on behalf of the Audit & Risk Committee to cover the period of its operations in relation to the financial year 2023/24, including the Audit & Risk Committee meeting held on 17 September 2024.

This is the draft report, which following discussion and agreement on its content by this Audit & Risk Committee will be submitted to the full Board at its meeting of 13 December 2024.

4. Overview

- 4.1. The period of this Annual Report includes the consideration of the statutory accounts for AY 2023/24, together with the associated 2023/24 Annual Audit Report from Mazars, the College's External Auditors for the period.
- 4.2. The Committee continues to have an oversight of the work of the College's Internal Auditors, Henderson Loggie, and considers reports issued by them.
- 4.3. 2023/24 is summarised as a positive year in most aspects, with previous financial plans resulting in a more stable platform that has supported the Board and College to consolidate activities, improve student outcomes and plan for the future. In all cases the Board has engaged well in providing supportive challenge to the senior team and in shaping and informing future developments including active engagement audit, risk, processes, systems, management, leadership, and governance.
- 4.4. The Committee met four times over the period covered by this report.
- 4.5. In addition to the reports provided by the College's Internal and External Auditors the Committee considered the following during the course of the year:

- College's Strategic Risk Registers and the oversight and review of specific risks by committees
- Updates on progress towards implementing audit recommendations.
- Information and Cyber Security (ICS) Risk and Maturity Report.
- Discussion with Mazars as our External Auditors for the audit of the College's statutory accounts 2022/23 to 2026/27.
- Preparation of a detailed Audit Assurance Response in respect of the range of information required to fulfil the International Auditing Standards, in respect of preventing fraud in the annual accounts, compliance with laws and regulations, litigation and claims, and going concern assurance.

5. Committee Membership

The Audit & Risk Committee Membership in the 2023/24 year was as follows:

Helen Honeyman (Chair) Margo Williamson, Kevin Ditcham (to December 2023), Sally Middleton, Roy McLellan, Jackie Buchanan (Vice Chair) and Ged Bell (from September 2024). In addition, the Committee was expanded in March 2024 to incorporate staff and trade union nominated members with Matthew Beattie and Derek Smith taking up these respective roles.

College staff members – Steve Taylor, Vice Principal Support Services and Operations/Secretary to the Board, Nicky Anderson, Director of Finance (from January 2024) and Penny Muir, Board Administrator were also in regular attendance at meetings. Andy Ross, Director of Infrastructure attended in respect of the Cyber-Security Risk and Maturity Report.

Representatives from Henderson Loggie (Internal Auditor) and Mazars (External Auditor) attend all meetings of the Audit & Risk Committee.

6. Meetings and Discussions

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

- 19 September 2023
- 5 December 2023
- 5 March 2024
- 4 June 2024
- 17 September 2024

7. Internal Audit

The Internal Auditor's 2023/24 Annual Plan was presented and approved at the Audit & Risk Committee meeting in September 2024.

The reports considered by the Audit & Risk Committee under the plan for 2023/24 included:

Audit Area	Report Grades ²	Number of Recommendations (& Action Grades ¹)			Recommendations Outstanding
		1	2	3	
Risk Management & Business Continuity	Satisfactory			4	
Procurement & Creditors	Requires improvement		4	2	4*
Environmental Sustainability	Good				
Sports Centre Business Review	N/A	2**	4	1	
Student Activity Data	Audit opinion unqualified			3	
Student Support Funds	Audit opinion unqualified		1		
	Total	2	9	10	

* Revised timelines agreed, and regular progress updates provided to the Committee

** High priority elements were resolved in spring 2024.

There are currently no partially completed recommendations from previous internal audits.

Audit Area	Report Grades	Number of Actions Outstanding (& Priority Grades)		
		1	2	3
	Total	-	-	-

The College's Internal Auditors reported that "the College has made good progress in implementing the recommendations followed-up."

In the Annual Report for 2023/24 the Internal Auditor concluded that "the College has adequate and effective arrangements for risk management, control, and governance. Proper arrangements are in place to promote and secure Value for Money."

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

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

¹ Priority 1 = Issue subjecting the College to material risk, and which requires to be brought to the attention of management and the Audit and Risk Committee.

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

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

² 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

The fee for internal audit activities in 2022/23 was £12500.

8. External Audit of Year End Financial Statements

The external audit of the Financial Statements to 31 July 2024 was undertaken by Mazars, who were appointed by the Auditor General for a 5-year term from 2022/23 to 2026/27 inclusive.

The fee for the 2023/24 College Statutory Accounts was £42560.

The external auditor's Annual Audit Plan was considered by the Committee at its June 2023 meeting.

At a joint meeting with the Finance & Property Committee on 3 December 2024, the Audit & Risk Committee received the Annual Accounts for 2023/24, together with the external auditor's Annual Audit Report and the internal auditor's Annual Report to the Board of Management.

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

- give a true and fair view in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council of the state of the affairs of the college and its group as at 31 July 2024 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 14 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

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

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

9. Cyber Security (ICS) Risk and Maturity Report

The annual Cyber Security Risk and Maturity Review was undertaken in November 2023 and the report from this review will be considered at the March 2024 meeting.

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

These discussions confirmed that:

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

11. Risk Management

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

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

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

12. Opinion

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

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

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

The Committee welcomed the success in finalising the annual accounts. The Committee recognised the significant efforts of the College's Finance Team, and the supportive, flexible, and pragmatic approach adopted by the Forvis Mazars audit team.

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

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

- [Code of Good Governance for Scotland's Colleges](#), which was revised in September 2022, and

- Scottish Government [Audit and Assurance Committee Handbook](#), which was revised in February 2023

and that the College has been compliant for the period from 1 August 2023 to 31 July 2024.

13. Link to Strategic Risk Register

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

Board Sponsor: Helen Honeyman, Chair Audit & Risk Committee



AUDIT & RISK COMMITTEE

Tuesday 3 December 2024

INTERNAL AUDIT

7.1- STUDENT ACTIVITY

PAPER D

Dundee and Angus College

2023/24 Student Activity Data

Internal Audit report No: 2024/06

Draft issued: 31 October 2024

Final issued: 1 November 2024



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Management Summary

Introduction

The Guidance Notes issued by the Scottish Funding Council (SFC) on 27 August 2024, '*FES Return and Audit Guidance 2023-24*' requested submission by Dundee and Angus College ('the College') of the FES return for session 2023/24, which includes the Credits data relating to College activity for the academic year 2023/24.

Guidance on completion of the 2023/24 return was issued by the SFC on 12 June 2023.

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

Scope of the Audit

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

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

Our testing was designed to cover the key risk areas identified at Annex C to Credits Audit Guidance.

Audit Staffing

An Audit Director with 31 years' experience in the further and higher education sectors had overall responsibility for the planning, control and conduct of the audit and supervised and reviewed work performed by a Senior Auditor and Auditor with six and four-years' experience in the sector respectively. A Senior Manager with 19 years' experience in the sector was also involved at the planning, review and reporting stage.

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

The total number of audit days was 10, split ½ day for the Audit Director, ½ day for the Senior Manager, 4 days for the Senior Auditor and 5 days for the Auditor.

Audit Findings

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

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

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



Audit Findings (continued)

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

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

Conclusion

Our report was submitted to the SFC on 23 October 2024. We reported that, in our opinion:

- the student data returns have been compiled in accordance with all relevant guidance.
- adequate procedures are in place to ensure the accurate collection and recording of the data; and
- we can provide reasonable assurance that the FES return is free from material misstatements.

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

Acknowledgments

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



Action Plan

Para Ref.	Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer for Action	Agreed Completion Date
2.3.1	<p>Systems and Procedures for Compilation of Returns</p> <p>Flexible / Work-Based Learning</p> <p>R1 Where academic staff agree that students can defer their studies to the next academic session, confirmation of deferment should be communicated to MIS staff and students flagged as deferred in UNIT-e to ensure that the Credits claim is adjusted for the current year.</p>	3	Training with curriculum and administration teams to ensure confirmation of deferment is communicated to the Data Management Team and the credit claim is then adjusted to reflect progress for the session.	Yes	Administration Project Manager, and Data Management Team Leader	30 June 2025
2.4.1	<p>Required Dates and Attendance</p> <p>R2 For students who withdraw from their courses, ensure that the withdrawal date recorded in UNIT-e reflects the last date of physical attendance or engagement.</p>	3	Data Management will complete on-going checks to ensure physical attendance / engagement is used for withdrawal date.	Yes	Administration Project Manager and Data Management Team Leader	30 June 2025



2023/24 Student Activity Data

Para Ref.	Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer for Action	Agreed Completion Date
2.5.1	<p>Allocation of Credits to Courses</p> <p>R3 Ensure that Credits claimed for students are based upon the value of the units listed on the student course record, which reflect the activity delivered in the year, and not based upon a default tariff.</p>	3	Checks will be made to these types of courses that we claim what the student is booked on rather than a default tariff.	Yes	Administration Project Manager and Data Management Team Leader	30 June 2025



Main Report

1. Introduction

1.1 SFC Guidance

1.1.1 The Credits Audit Guidance issued by the Scottish Funding Council (SFC) on 27 August 2024 sets out, at Annex C, the key risk areas in relation to the preparation of the FES return. These are:

- the average Credits claimed for full-time students exceeds levels indicated in the Credit guidance;
- incorrect Credit value is claimed for collaborative provision;
- claims for fee waivers and students with multiple enrolments;
- spanning courses;
- identification of non-fundable activity, both courses and students, including capturing of eligible enrolments and identification and recording of student withdrawals;
- recording of progress for students on open / distance learning programmes;
- identification and counting of infill students; and
- claims for non-accredited work experience / placement.

1.1.2 For academic year 2023/24 we established that there had been no significant changes to the systems and procedures used in the compilation of the returns. We then carried out detailed testing, as necessary, to enable us to conclude that the systems and procedures were working satisfactorily. Detailed analytical review was carried out, including a comparison with last year's data, and obtaining explanations for significant variations by Price Group.

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



2. Systems and Procedures for Compilation of Returns

2.1 Introduction

- 2.1.1 Detailed testing at the year-end Credits audit included two main tests on courses and individual students.
- 2.1.2 The following tests were carried out for a sample of 16 courses selected from the UNIT-e system:
- Ensured that the course met the criteria for fundable activity set out in the Credits guidance.
 - Where applicable, ensured that the course met the definition of further or higher education set out in the Credits guidance.
 - Ensured that courses recorded as full-time met the definition for full-time as set out in the Credits guidance.
 - Checked the student total for a programme against course / class lists or course / class register. Checked calculation of the required date and ensured that students who had withdrawn prior to this date had been excluded from the Credits count; and
 - Checked allocation of Credits to courses is in accordance with the Credits guidance and, where Credits were claimed beyond normal full-time levels, that the claims could be appropriately justified by the College.
- 2.1.3 For a total of 80 students selected from the above courses the following tests were carried out, where applicable:
- Ensured that the student met the criteria for fundable activity set out in the Credits guidance.
 - Checked back to signed enrolment forms, or electronic equivalent, for the 2023/24 academic year.
 - For infill courses, ensured that Credits were allocated according to the modules attended by individual students rather than by the default value for the courses being infilled.
 - Checked to student attendance / engagement records and, for withdrawals, checked that the withdrawal date noted on the system was the last date of physical attendance or engagement;
 - For students following courses of open / distance learning vouched to study plan etc. and ensured that required criteria was met; and
 - For students undertaking non-accredited work experience / placement ensured that the Credits value had been calculated in line with the Credits guidance.
- 2.1.4 The following tests were carried out by reviewing records for all College courses:
- Compared the overall average Credits per full-time student against the SFC expected average of 17 Credits for full-time Further Education students and 15 Credits for full-time Higher Education students;
 - Confirmed that there were no claims for more than one full-time enrolment per student for 2023/24 and ensured that Credits had not been claimed in respect of courses that were related in respect of subject area, unless progression could be clearly established;
 - Confirmed that there were no claims for overseas students and students enrolled on full cost recovery commercial courses; and
 - Confirmed that Credits for spanning courses were claimed in the correct year.
- 2.1.5 We reviewed the systems for recording fee waiver entitlement and carried out an analytical review to ensure the accuracy of the fee waiver element of the FES return. For a random sample of 10 part-time students, we confirmed that College staff had verified the entitlement to benefit for eight of them. It was established that the coding was incorrect for two students (one of which was changed for the final FES) however their course, Pronunciation for Speakers of Other Languages – Lower, was offered free of charge on this occasion. Checks over fee waiver were undertaken by the College as part of general housekeeping at the year-end, but these were performed after the start of our audit.



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

2.1 Introduction (continued)

- 2.1.6 It was confirmed by the College that there has been no new collaborative activity during 2023/24. Collaboration agreements are in place in relation to programmes delivered in partnership with Dundee City Council and Dundee Repertory Theatre. These agreements have been reviewed by us in previous years and it was confirmed that the programmes meet the requirements for eligibility for funding set out in the Credits guidance. No other collaborative courses were identified during our audit testing.
- 2.1.7 Before signing our audit certificate, we reviewed the final FES online report and the explanations for remaining errors.
- 2.1.8 From our review and testing of the systems and procedures used in the compilation of the returns, we concluded that overall, they were adequate to minimise risk in the areas identified in Annex C of the Credits Audit Guidance and were working satisfactorily as described to us.
- 2.1.9 The remainder of this section discusses issues identified during our review of the 2023/24 student activity data.

2.2 Non-Fundable Activity

- 2.2.1 During our review of the FES data, we identified one non-vocational programme for which Credits were being claimed. Through discussion with the Head of Information Systems and Services it was determined that Credits for this course were originally counted in error due to the Source of Finance (SoF) being miscoded. The SoF was updated at the time of our audit resulting in a total of 0.6 Credits being removed (included in summary at Appendix II). We noted that year-end checks for issues of this nature are performed by the College, however these had still to be completed at the time of our audit.

2.3 Flexible / Work-Based Learning

- 2.3.1 During testing of one flexible learning (CIH Level 5 Diploma in Housing) and one work-based learning course (SVQ Level 3 Fabrication and Welding), we noted that evidence of engagement was not available for four students, and it was determined that each of the students had deferred their studies until 2024/25. Extended sample testing combined with a wider review of the population did not identify any further students impacted. A total of 23 Credits were removed for the final claim (included in summary at Appendix II).

Recommendation

R1 Where academic staff agree that students can defer their studies to the next academic session, confirmation of deferment should be communicated to MIS staff and students flagged as deferred in UNIT-e to ensure that the Credits claim is adjusted for the current year.



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

2.3 Flexible / Work-Based Learning (continued)

2.3.2 Our sample also included one further work-based learning course, SVQ Level 3 Social Services (Children and Young People), where the College claims 4 Credits per semester. Depending on the point that the student starts and finishes the course, the College will claim either 4 or 8 Credits for the year, e.g. where a student starts the course in semester 2 the College will only claim 4 credits, if they start in semester 1 and carried on into semester 2 the College will claim 8 credits. Testing identified that 8 Credits had originally been claimed for one student where it was noted that the student start date was June 2024, with a course end date of July 2024. The student's progress on the course was also found to be lower than the expected target for 2023/24. As a result, the College removed the 8 Credits from the final claim (included in summary at Appendix II). We noted that year-end checks for issues of this nature are performed by the College, however these had still to be completed at the time of our audit.

2.4 Required Dates and Attendance

2.4.1 Testing of student attendance and withdrawals identified two students where the withdrawal recorded in UNIT-e did not reflect the student's last date of physical attendance / engagement. In both cases the student had attended after the required date and so did not give rise to an error in the Credits claimed.

Recommendation

R2 For students who withdraw from their courses, ensure that the withdrawal date recorded in UNIT-e reflects the last date of physical attendance or engagement.

2.4.2 For 2023/24 the Credits guidance noted that the SFC has aligned the 'required date' for colleges and universities, and colleges can now claim credits for full-time students on courses lasting for over 20 weeks if they are still active **after** 5 weeks from the course start date. For shorter courses the required date continues to be after a quarter of the course has been delivered.

2.4.3 Included within our sample of courses tested was a short full-time course (VTCT Fast Track to Hairdressing) where the required date was incorrectly stated as 20 February 2024 instead of 14 February 2024, being 25% of calendar days for the course. Upon review by the College, it was found that the difference was due to a data input error. The effect of the re-calculation of the required date did not result in any additional students being brought in to, or excluded from, the Credits count.

2.5 Allocation of Credits to Courses

2.5.1 Audit testing identified one part-time Further Education course (Preparation for Electrical Programme) where the Credits recorded in UNIT-e did not correlate to the Credits outlined in the course framework or undertaken by students in the year. A total of 12 Credits per student were recorded in UNIT-e for the 17 students on the course, although the short course report only included a total of 5.5 Credits and the College confirmed that only 5.5 Credits were delivered. This has resulted in a difference of minus 110.5 Credits which was adjusted by the College during the audit (included in summary at Appendix II). Errors such as these are normally reviewed by the College as part of year end checks and as part of the SFC FES cross-checks, however our audit testing was performed before the College had completed its year end checks. No further similar cross-check errors were noted on the final FES report submitted to the SFC.



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

2.5 Allocation of Credits to Courses (continued)

Recommendation

R3 Ensure that Credits claimed for students are based upon the value of the units listed on the student course record, which reflect the activity delivered in the year, and not based upon a default tariff.

2.6 Average Credits Claimed for Full-Time Students

- 2.6.1 For 2023/24 the Credits guidance noted that claims for individual students / programmes will vary but colleges should not exceed an overall average of 17 Credits for full-time Further Education students or 15 Credits for full-time Higher Education students across the full-time cohort, including those additional part-time courses on which these students enrol. Overall average Credits per full-time student in excess of this may be subject to further scrutiny.
- 2.6.2 We noted from the final FES that the averages for the College were slightly above these values at 18 Credits for full-time Further Education students and 15.9 Credits for full-time Higher Education students. From discussion with the SFC, we understand that this should not be an issue for 2023/24 although there is an expectation going forward that average Credit claims will move towards 17 and 15 respectively.

3. Analytical Review

- 3.1 The analytical review by Price Group for the current year, included at Appendix III of this report, showed significant variances in Price Groups 1, 2 and 5. These were discussed with College management. The explanations we received provided us with additional assurance that the Credits claim does not contain material errors. The College's Credits target reduced from 109,230 in 2022/23 to 98,307 in 2023/24, a reduction of 10%. As a result, there was a significant reduction in the provision delivered across the above Price Groups.



Appendix I – Copy of Audit Certificate

Dundee and Angus College
Old Glamis Road
Dundee
DD3 8LE

23 October 2024

To Whom it May Concern

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

We have audited the FES return which has been prepared by Dundee and Angus College under SFC's Credit Guidance for colleges issued 12 June 2023 and which has been confirmed as being free from material misstatement by the College's Principal in his Certificate dated 18 October 2024. We conducted our audit in accordance with the 2023-24 audit guidance for colleges. The audit included an examination of the procedures and controls relevant to the collection and recording of student data. We evaluated the adequacy of these controls in ensuring the accuracy of the data. It also included examination of evidence relevant to the figures recorded in the student data returns. We obtained sufficient evidence to give us reasonable assurance that the returns are free from material misstatements.

In our opinion:

- the student data returns have been compiled in accordance with all relevant guidance;
- adequate procedures are in place to ensure the accurate collection and recording of the data; and
- we can provide reasonable assurance that the FES return is free from material misstatements.

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

23 October 2024

Date FES returned: 18 October 2024



Appendix II – Summary of Adjusted and Unadjusted Errors

Report Para	Error identified	Adjusted/unadjusted	Approx. Value
2.2.1	Credits incorrectly claimed for a non-vocational programme	Adjusted	-0.6 Credits
2.3.1	Evidence of engagement / participation not available for four students on flexible / work-based learning courses	Adjusted	-23 Credits
2.3.2	Credits removed for student on a work-based learning course where Credits claimed did not reflect progress made by student	Adjusted	-8 Credits
2.5.1	Credits for students on a part-time programme not in agreement with the units taken	Adjusted	-110.5 Credits



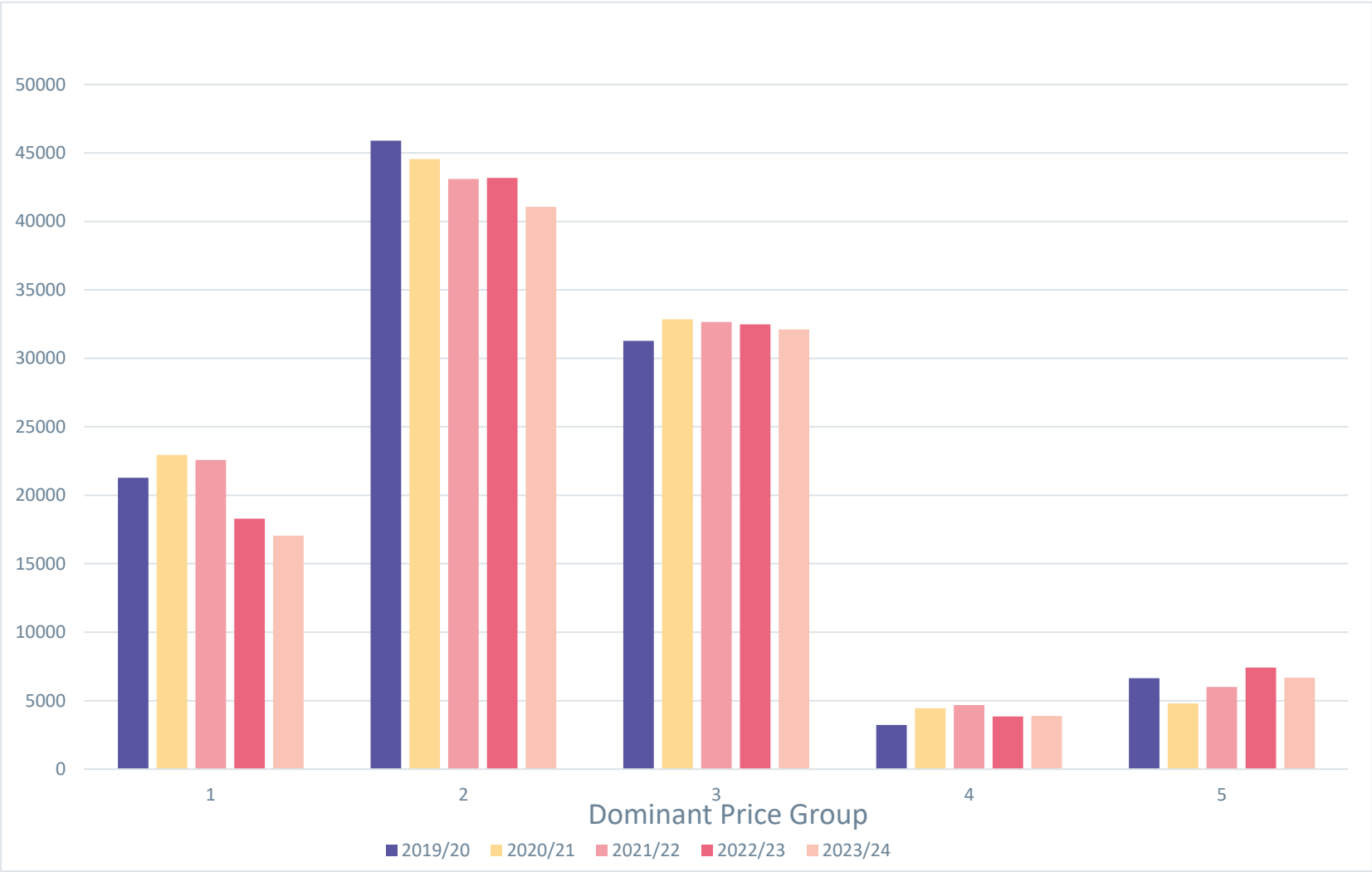
Appendix III – Price Group Analytical Review 2022/23 and 2023/24 – Figures

Price Group	2022/2023		2023/2024		Variance	Variance
	Credits		Credits		Credits	%
1	18,293		17,044		(1,249)	(6.8)
2	43,183		41,062		(2,121)	(4.9)
3	32,482		32,119		(363)	(1.1)
4	3,847		3,880		33	0.9
5	7,424		6,686		(738)	(9.9)
	105,229		100,791		(4,438)	(4.2)

College Funded Target 2023/24: 98,307 Credits



Appendix IV – Price Group Analytical Review 2019/20 to 2023/24 – Graph



Appendix V – Updated Action Plan – Student Activity Data 2022/23

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer for Action	Agreed Completion Date	Progress at October 2024
<p>Systems and Procedures for Compilation of Returns</p> <p>Distance / Work Based Learning</p> <p>R1 The College should ensure evidence of progression and participation / engagement is retained to evidence eligibility of the Credits claimed for work-based learning students. Where curriculum staff identify that no evidence is available, or that students are no longer engaging, this should be notified to the Student Records team to ensure that the Credits are removed from the Credits claim.</p>	3	Ongoing training with curriculum teams to ensure our engagement and retention procedures are being adhered too. Further progress on the reporting of our engagement tracker for work-based students.	Yes	Administration Manager and Directors of Curriculum & Attainment	31 March 2024	<p>Similar issues again identified as part of audit testing in 2023/24 (refer to paragraph 2.3.1 in main report).</p> <p>Partially Implemented</p>
<p>Credits Claimed</p> <p>R2 Ensure that any significant changes to the Credits claimed after audit sampling are brought to auditor’s attention on a timely basis so that these can be considered for testing prior to conclusion of the audit fieldwork stage.</p>	2	This was an isolated issue relating to our deferred student’s activity from the COVID pandemic. It is not foreseen that this will occur again due to the small number of deferred students still to complete in 23/24, but we will ensure notification is given if these circumstances arise again.	Yes	Data Management Team Leader	30 June 2024	<p>No similar issues noted during the 2023/24 audit.</p> <p>Fully Implemented</p>



2023/24 Student Activity Data

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer for Action	Agreed Completion Date	Progress at October 2024
<p>R3 Attendance records should be maintained on CELCAT to support the actual hours completed, and Credits claimed, for infill deferrals.</p>	<p>3</p>	<p>This was an isolated issue relating to our deferred student’s activity within our Construction dept. For the very small number we have rolled over to complete in 2023/24 we will ensure the standard attendance recording procedures are enacted.</p>	<p>Yes</p>	<p>Data Management Team Leader and Directors of Curriculum & Attainment</p>	<p>30 June 2024</p>	<p>No similar issues noted during the 2023/24 audit.</p> <p>Fully 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 **F:** 01224 327 911
T: 01382 200 055 **F:** 01382 221 240
T: 0131 226 0200 **F:** 0131 220 3269
T: 0141 471 9870

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AUDIT & RISK COMMITTEE

Tuesday 3 December 2024



INTERNAL AUDIT

7.2- STUDENT SUPPORT FUNDS

PAPER E

Dundee and Angus College

2023/24 Student Support Funds

Internal Audit report No: 2024/07

Draft Issued: 11 November 2024

Final Issued: 19 November 2024



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Appendix II	Higher Education Discretionary and Childcare Fund Return and Audit Certificate	
Appendix III	Education Maintenance Allowance Return and Audit Certificate	
Appendix IV	Updated Action Plan – Student Support Funds 2022/23	



Management Summary

Introduction

Colleges receive **Discretionary Funds** from the Scottish Funding Council (SFC) and the Student Awards Agency for Scotland (SAAS) to provide financial help for students where access to, or continuance in, further or higher education would otherwise be denied due to financial hardship. The maximum payable from the Further Education Discretionary Fund in 2023/24 was £5,000 and maximum payable from the Higher Education Discretionary Fund was £3,000. Colleges could award sums above these limits in exceptional circumstances with prior approval from SFC and SAAS respectively.

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

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

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

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

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

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

Audit Scope

For the 2023/24 academic year three specific fund statements were required for audit:

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



Audit Objectives

The audit objectives were to ensure that:

- The College complies with the terms, conditions and guidance notes issued by SFC, SAAS and the Scottish Government;
- Payments to students are genuine claims for hardship, bursary or EMA, and have been processed and awarded in accordance with College procedures; and
- The information disclosed in each of the returns for the year ending 31 July 2024, is in agreement with underlying records.

Audit Approach

The audit approach included:

- Reviewing new guidance from SFC, SAAS and the Scottish Government and identifying internal procedures;
- Agreeing income to amounts awarded;
- Reconciling expenditure through the financial ledger to returns, investigating reconciling items;
- Reviewing College analysis spreadsheets for large or unusual items, obtaining explanations where necessary; and
- Carrying out detailed audit testing, on a sample basis, on expenditure from the funds.

Audit guidance issued by the SFC was utilised.

Action Plan

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

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

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

Findings and Conclusions

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

In our covering letter to SAAS enclosing the audited Higher Education Discretionary and Childcare Fund Return we noted one observation arising from our audit work: The College does not operate a separate interest-bearing bank account for the Fund and all transactions are through the College's main bank account. The College uses the Government banking service for all of its financial transactions, on instruction from the SFC, and this account does not pay interest.



Findings and Conclusions (Continued)

In our covering letter to SFC enclosing the Auditors' Report for the EMA Return we made one minor observation. Total EMA payments of £7,560 were claimed by the College in the year-ended 31 July 2024 in relation to 504 EMA claimants. A total of 500 individual students were in receipt of EMA payments in 2023/24 giving rise to a small overclaim of £60, which has been adjusted by the College in the monthly return for September 2024.

In addition, the following points were noted during the course of our audit:

FES Return

The Student Support Funding Report expenditure figures on the final FES initially agreed with the SFC on 18 October 2024 were, in total, approximately £43,000 lower than the College's financial ledger.

Following investigation, the Director of Student Experience advised that there had been an issue with a staff member marking a few of the students to be excluded in error and an issue with the Certificate in Social Science course import from TeQuios to UnitE so it did not add the spend for those students. The College advised the SFC of the issue and uploaded a replacement FES on 30 October 2024 which agreed to the ledger except for an overall immaterial difference of £915 (ledger lower).

Recommendation

R1 The College should ensure that final checks are performed on the accuracy of the FES data prior to submitting to SFC. As the FES data contains both Credits and support funds data, any changes made to Credits data should be reviewed to ensure that any impact on support funds data is accurate.

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

Acknowledgments

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



Action Plan

Page Ref.	Recommendation	Grade	Management Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date
3	<p>FES Return</p> <p>R1 The College should ensure that final checks are performed on the accuracy of the FES data prior to submitting to SFC. As the FES data contains both Credits and support funds data, any changes made to Credits data should be reviewed to ensure that any impact on support funds data is accurate.</p>	2	New staff within both areas of Student Funding and Data Management are undergoing training on final FES submission, this will be addressed through their ongoing training.	Yes	Fiona Beattie, Administration Project Manager	30 June 2025



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



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



Appendix III – Education Maintenance Allowance Return and Audit Certificate



Appendix IV – Updated Action Plan – Student Support Funds 2022/23

Recommendation	Grade	Management Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress at October 2024
<p>Award Letters</p> <p>R1 Ensure that revised award letters are always issued, and copies retained, where reassessment of student awards is made during the year.</p>	<p>3</p>	<p>Requirements reiterated to all staff involved in re-assessments of awards, sample checks to be conducted as part of ongoing house-keeping checks.</p>	<p>Yes</p>	<p>Student Funding Team Leader and Student Services Manager</p>	<p>Reminders by 31 October 2023</p> <p>Sample checks completed by 31 May 2024</p>	<p>We noted for one student in our Bursary sample that no study costs re-assessment letter had been issued due to an oversight by the assessor. The study cost award went from original costs of £15, to re-assessed total costs of £36.92. With the exception of this minor point, award letters were in place for all awards made to students in our samples, including re-issued award letters following a re-assessment.</p> <p>Fully 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 **F:** 01224 327 911
T: 01382 200 055 **F:** 01382 221 240
T: 0131 226 0200 **F:** 0131 220 3269
T: 0141 471 9870

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AUDIT & RISK COMMITTEE

Tuesday 3 December 2024

INTERNAL AUDIT

**7.3- SPORTS CENTRE BUSINESS PROCESS
REVIEW**

PAPER F

Dundee & Angus College

Sports Centre Business Process Review

Internal Audit report No:2024/08

Draft issued: 18 November 2024

2nd Draft issued: 22 November 2024

Final issued: 22 November 2024

Final re-issued: 26 November 2024



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Management Summary

Background

As part of the 2023/24 Internal Audit Plan, Dundee and Angus College ('the College') has engaged with Henderson Loggie to conduct a business process review of the systems in place for operating the Sports Centre at the Gardyne campus, to identify opportunities and facilitate the agreement of recommendations for overall process improvements or more effective / efficient use of the current systems in place.

Scope and Objectives

The scope of this assignment will be to carry out a review of the College's current procedures for the operation of the Sports Centre, with a view to identifying and removing waste from the current processes and proposing procedural improvements to inform a wider College review of commercialisation and effectiveness of sports centre operations at the Gardyne Campus. It has been completed as a Business Process Review.

The main objectives of the assignment were to ensure that:

- The anticipated outcomes for all internal stakeholders from the Gardyne Sports Centre processes are clearly defined;
- The value of services provided are quantified from a student perspective and from the perspective of external stakeholders;
- Steps which do not add value are identified with a view to eliminating them;
- Steps that create value occur in tight sequence and are reflected in the efficient and effective operation of the Sports Centres; and
- Arrangements are in place to deliver consistency in the Sports Centre processes by embedding any agreed revisions in updated operating procedures.

Audit Approach

We walked through the existing Sports Centre operations with the former Business Partnerships Manager, who outlined the issues which had already been identified through a previous internal review of the commercial position of the Sports Centre. This review had identified ongoing challenges in relation to delivery against budgeted income and overall commercial targets. Therefore, the Business Partnerships Manager had focused attention on examining current and future demand for the services delivered by the Sports Centre and was already exploring ways to deliver enhanced commercial income from external customers to move towards a breakeven position, whilst still delivering the facilities required by academic teams and students. One of the steps already taken at that point, was to review the opening hours for the sports centre. It was also noted that the long term absence of the Sports Centre Manager, prior to the commencement of our review, had necessitated a number of acting up arrangements, with the Duty Managers providing cover for the Sports Centre Manager. Therefore, this review was undertaken against a backdrop of challenging financial performance and changing leadership of the sports centre.

It was agreed with the former Business Partnerships Manager that two facilitated workshops would be held with academic staff (which also allowed discussion on the student experience) and with members of staff from the sports centre at the Gardyne Campus. It was also agreed that discussions would be held with the Sports Centre Manager and with the HR Manager in the People Team, the former Head of Finance and the Head of Estates. A separate meeting was also held with a customer of the sports centre, who had a block booking for the delivery of Jazzercise classes. Through these discussions we identified opportunities for improving the performance in the operating model for the sports centre.



Audit Approach (Continued)

We discussed and agreed the recommendations with the former Business Partnerships Manager. The agreed recommendations were then prioritised and are listed as potential improvement points below.



Summary of Main Findings

A number of interviewees identified issues around the cleanliness of sports centre facilities at the end of the academic day and on commencement of the commercial lets. Whilst it was explained that cleaning of sports centre facilities takes place at the start of the day, we were advised that corridors and toilet facilities were not being routinely cleaned before the commercial lets commenced, leading to some customer dissatisfaction. This issue was discussed with Sports Centre Manager, who advised that staff had been spoken to, and a new checklist system had been introduced, in order to drive increased accountability in preparing for both academic sessions and for commercial lets. This involved set up for sessions, inspection of equipment, and conducting inspections and taking steps to maintain the cleanliness of corridor areas, changing rooms and toilets. The introduction of these checklists was designed to ensure that sports centre staff were taking accountability for ensuring that floors were swept and that toilet facilities were being inspected and cleaned throughout the opening hours. This included conducting checks on soap dispensers and toilet paper. Since steps have been taken to address this issue we have not included a recommendation on this point. However, we have highlighted the issues for absolute transparency.

From our perspective, the views of stakeholders have been sought and are known. This includes the views of prospective customers, who may be keen to enter into a commercial partnership with the College. The example provided related to a sports club which was aware of issues with water ingress through the sports hall roof. Therefore, as part of the contractual discussions with the College, they sought assurances from the College on future investment in the sports centre facilities before they would commit. However, the scale of the changes required to the operational model, and the limited amount of revenue and capital funding available to invest in meaningful change, has hampered the ability of sports centre staff to react to the feedback gathered and to respond to requests for assurances from prospective customers.

The review identified seven areas for investigation or improvement and all the identified actions are designed to enhance efficiency and effectiveness. It is our view that some of the issues identified during our review did potentially subject the College to material or significant risk. This is why these issues were brought to the attention of the former Business Partnerships Manager directly after our discussions with sports centre staff. These potential risks related to access to the sports centre facilities and safe staffing levels.

Two high priority areas for investigation or improvement were noted during the review which were in relation to:

- Access and security to the sport centre facilities; and
- Maintaining safe staffing levels (particularly in relation to pool lifeguard cover and staff cover to deal with a serious incident, such as a spinal injury in the pool).

Management have confirmed that these areas of potential higher risk were addressed and closed out at the time of the audit, with a review of entry routes, access procedures and training progressed in Spring 2024, with reinforcement of requirements in respect of these undertaken periodically. Risk assessments in respect of the potential staffing level risks identified have been reviewed and appropriate staffing levels, oversight and training are in place. Residual areas for improvement remain with a completion date of 31 January 2025.

Four medium priority and one low priority points were also identified.

Acknowledgments

We would like to take this opportunity to thank the staff from the Sports Centre, the Academic Staff, HR department, Finance department and also sports centre customers, who helped us during our business process review.



Improvement Points Identified from Interviews and Facilitated Sessions

We held a series of discussions with members of College sports centre and academic teams, as well as with HR and with an external customer, with the aim of identifying areas of strength and weakness within the current sports centre processes and to identify areas that could be enhanced in order to improve existing arrangements.

We identified areas that work well (and not so well) through detailed review of strengths, weaknesses, opportunities and threats via a SWOT analysis. This allowed opportunities for improvement to be identified.

A number of areas for improvement were identified, which can be grouped under the following broad categories:

- Staffing issues
- Financial Issues
- Estates issues
- Health and Safety issues

Any threats to implementing possible solutions were also identified and discussed.

We discussed the potential areas for improvement with the former Business Partnerships Manager. Improvement recommendations were then prioritised based on the impact of the recommendation and the ease of implementation.



Improvement Points Identified from Interviews and Facilitated Sessions (Continued)

The session with the former Business Partnerships Manager categorised the seven points raised as follows:

Priority Category	Number of Improvement Actions
High	2
Medium	4
Low	1

Details of these improvement points are set out below.



Improvement Points Identified from Interviews and Facilitated Sessions (Continued)

High Priority Items			
No	Short Description	Detail	Management Comments
1.	Access to the Sports Centre facilities	<p>It was identified that the current configuration of the sports centre building at Gardyne means that there are multiple entry points into the changing rooms and the facilities. While there is a QR entry code system in place this is not consistently used and the reception area is not staffed continually. We were advised that Sports Centre staff would not routinely challenge visitors in the gym to ensure that they had signed in.</p> <p>Risk: There is an enhanced risk that visitors may not have signed the relevant agreement and may not have undertaken the required induction for the use of gym equipment, for example.</p> <p>Recommendation: The entry routes into the sports centre and the potential for the issue of membership cards with a photograph should be reviewed, in order to restrict unauthorised access and to ensure that only those customers who have paid the appropriate fee and have completed the relevant induction, have access to the sports centre facilities, such as the gym. Training should be provided to ensure that sports centre staff are aware of their responsibilities in ensuring that only customers who have registered and undergone the appropriate induction should be allowed to use the gym equipment.</p>	<p>Recommendation partially accepted.</p> <p>A review of entry routes, access procedures and training was progressed in Spring 2024, with reinforcement of requirements in respect of these undertaken periodically. This has removed any potential risk in respect of the points highlighted.</p> <p>Arrangements to update systems to conclude on the costs and viability of introducing photo membership cards are under review.</p> <p>Action Owner: Sports Centre Manager</p> <p>Completion Date: 31 January 2025</p>

Sports Centre Business Process Review

High Priority Items			
No	Short Description	Detail	Management Comments
2.	Safe Staffing Levels	<p>We were advised that changes in the requirements for the rotation of pool lifeguards has placed increased pressure on the ability to maintain safe staffing levels. This is exacerbated by the requirement for sports centre staff to provide first aid cover in the College, which can take them away from the sports centre while the centre is open. It was also highlighted that when the Sports Centre Manager is not on duty, then it is routinely the responsibility of the Duty Manager (or potentially the member of staff maintaining cover for the Duty Manager) to make the call on whether staffing levels are sufficient to safely open or to continue to remain open.</p> <p>Risk: There is a heightened risk that safe staffing levels cannot be maintained and that a serious incident in the pool could not be appropriately dealt with due to the availability of staff on duty, which could be depleted should a call be received on the first aid phone which is held by sports centre staff on duty.</p> <p>Recommendation: A risk assessment should be conducted to examine the current staffing rotas, and to ensure that safe staffing levels are maintained, particularly during the hours when the pool is open, and taking into account the challenges of securing staff from the “on call” list to cover staff sickness and to factor in the possibility that sports centre staff could be called away from the sports centre to deal with a first aid incident while they are on duty. A document should be prepared which sets out a “playbook” for managers to use when faced with a decision on whether to open or keep open facilities when a staffing incident (such as sickness, first aid incident or fire alarm incident) takes place, to enable them to take the decision not to open facilities or if facilities should be closed, in a scenario where safe staffing thresholds cannot be achieved.</p>	<p>Recommendation partially accepted.</p> <p>Risk assessments in respect of the potential staffing level risks identified have been reviewed and appropriate staffing levels, oversight and training are in place.</p> <p>The potential of conflict between sports centre operations and the wider College first-aid rota are noted and further review (and action as necessary) will be undertaken.</p> <p>Action Owner: Sports Centre Manager</p> <p>Completion Date: 31 January 2025</p>



Sports Centre Business Process Review

Medium Priority Items			
No	Short Description	Detail	Management Comments
3.	Sport Centre Charges	<p>While the opening hours of sports centre facilities have been altered in order to bring them in line with other gyms operating in the local area, we were advised that the menu of sports centre charges has not been subject to fundamental review for several years and we were advised that charges (such as gym membership) fall well below the charges levied by competitors (such as gyms operated by Dundee City Council or private providers).</p> <p>Risk: There is a risk that the charges levied by the sports centre are not commercially viable and are not based on market intelligence gathered on the charges levied by competitor facilities.</p> <p>Recommendation: An analysis should be conducted, which includes benchmarking against local competition and stakeholder engagement, in order to allow a revised charging structure to be introduced, which may potentially require a change to existing conditions for commercial lets.</p>	<p>This recommendation will be considered as part of the wider College review of commercialisation and effectiveness of sports centre operations at the Gardyne Campus, as noted in the audit scope.</p> <p>Action Owner: Business Partnerships Manager</p> <p>Completion Date: 30 June 2025</p>



Sports Centre Business Process Review

Medium Priority Items			
No	Short Description	Detail	Management Comments
4.	Sports Centre Equipment	<p>We were advised by sports centre staff and academic staff that visitors to the gym routinely complain about the number of pieces of equipment which are broken and while there is an arrangement in place for the servicing and repair of equipment, the external provider who delivers the servicing and repairs contract has advised that in their view a significant proportion of the equipment utilised in the sports centre is nearing or has passed its useful life. We also established that there is no cyclical replacement programme in place for the gym equipment, with most of the equipment purchased at the same time several years ago. We were also advised by academic staff that the mechanisms for sports centre staff to report that equipment is out of operational use is not working effectively and this can impact on both academic delivery and in running events.</p> <p>Risk: The volume of equipment in operational use is not sufficient to meet the needs of staff, students and external customers.</p> <p>Recommendation: A review should be conducted to examine the feasibility of leasing new equipment or outright purchase, depending on whole life costs. This should be informed by a review of the condition of the existing equipment and an estimate of the remaining useful life. It should also be informed by stakeholder consultation with academic staff, students and external users to make sure that any investment in equipment is aligned with identified need. Thereafter a rolling replacement programme should be put in place to ensure that future investment in equipment is built into the budget going forward.</p>	<p>This recommendation will be considered as part of the wider College review of commercialisation and effectiveness of sports centre operations at the Gardyne Campus, as noted in the audit scope.</p> <p>Action Owner: Business Partnerships Manager</p> <p>Completion Date: 30 June 2025</p>



Sports Centre Business Process Review

Medium Priority Items			
No	Short Description	Detail	Management Comments
5.	Staff Contracts	<p>It was apparent from our discussions with sports centre staff and with HR that the contractual arrangements for the Sports Centre Manager, the Duty Managers and Sports Attendants with a variety of different types of contracts in place, ranging from fixed hours to supply pool zero hours. As highlighted above, we were advised that the current contract arrangements create issues in terms of the ability to secure cover and in filling rotas. However, we were advised by Hr that the offer has been made to review he contract position for sports centre staff as part of a wider review of future staffing needs.</p> <p>Risk: The current contractual arrangements do not encourage staff recruitment and retention as they do not provide clarity over guaranteed hours. In addition, the current mix of fixed and variable contracts does not assist in maintaining safe staffing levels.</p> <p>Recommendation: As part of the budget setting process, a review of current staffing requirements should be conducted to allow a FTE calculation to be calculated for the delivery of business as usual and seasonal activity (such as the camps run in April and October) and to identify any changes which are required to staff contracts, in collaboration with HR and Finance colleagues (and potentially trade unions), to ensure that there is sufficient clarity for staff around the hours they will work to meet the needs of the sports centre and its internal and external customers(for example a minimum number of contracted hours), whilst providing the flexibility required to ensure that an effective “on call” list can be operated to maintain safe staffing levels (which is akin to the Dundee Leisure model of “support and supply”). This review should also examine the rates of pay for hours worked after 9pm and on Sundays.</p>	<p>This recommendation will be considered as part of the wider College review of commercialisation and effectiveness of sports centre operations at the Gardyne Campus, as noted in the audit scope.</p> <p>Action Owner: Business Partnerships Manager</p> <p>Completion Date: 30 June 2025</p>



Sports Centre Business Process Review

Medium Priority Items			
No	Short Description	Detail	Management Comments
6.	Pool Plant and Sports Hall Roof / Ventilation	<p>A number of interviewees highlighted the fact that the current pool plant room is now nearing the end of its useful life. In addition, recurring leaks to the sports centre roof have impacted on academic delivery and on the facilities available for commercial lets. It was also flagged that the decision to prevent the opening of sports centre fire doors has created ventilation issues which are impacting on the delivery of physical activity during periods of hot weather. We were advised that although permission has been provided to allow fans to be plugged in, these do not reduce the temperature to a manageable level and therefore the commercial feasibility of delivering classes in hot weather is in doubt. We discussed these issues with the Head of Estates and with the former Head of Finance. Both explained that all of these were known issues, but that the restricted level of capital funding made available to the College made it very difficult to address these issues in the short term. It was explained that capital investment had been committed for investment to improve accessibility to the pool area. Therefore, any future investment in the pool plant room or in resolving the roof leaks or ventilation issues will require to be built into future capital funding discussions. We are also aware that a national estates condition survey is underway, and therefore it is highly unlikely that any major capital investment will be forthcoming from the SFC until the results of this national work is known. There is a backlog in customers seeking swimming lessons, and a national shortage of swimming instructors. In addition the closure of Craigie High School will remove a pool from the local area. Therefore, the reliance on the pool at Gardyne to meet local need for swimming lessons in the future is likely to increase over time.</p> <p>Risk: There is a risk that the current issues around the plant room, games hall roof and games hall ventilation begin to have a material impact on academic delivery, existing commercial lets; and the ability to enter into new commercial partnerships (because assurances cannot be provided around future capital investment).</p> <p>Recommendation: A review should be commissioned which quantifies the investment required to maintain a commercially viable sports centre at Gardyne in order to build a case for future SFC capital funding and partnership funding, in order to protect the ongoing future of the pool and the sports hall facilities.</p>	<p>This recommendation will be considered as part of the wider College review of commercialisation and effectiveness of sports centre operations at the Gardyne Campus, as noted in the audit scope.</p> <p>Action Owner: Business Partnerships Manager</p> <p>Completion Date: 30 June 2025</p>



Sports Centre Business Process Review

Low Priority Items			
No	Short Description	Detail	Management Comments
7.	Clubwise system	<p>We were advised by a number of interviewees that the Clubwise system is difficult to operate and does not deliver all of the functionality required. We were also advised that customers had encountered difficulties in making payments and even when they did manage to make a payment this was not always captured through the system. It was also highlighted by academic staff that they are not always sighted on bookings which have been made and therefore the disconnect between the academic timetabling held on CELCAT and the sports centre booking system can create communication issues regarding the availability of facilities.</p> <p>Risk: The current systems available for recording and billing bookings do not meet the needs of sports centre staff and the disconnect with academic systems creates issues re a lack of visibility for academic staff regarding the availability of pool facilities.</p> <p>Recommendation: We would recommend that a review be conducted to compare the outcomes achieved from the Clubwise system against the outcomes described in the original business case. In addition, we would recommend that the possibility of providing read only access to academic staff to the pool booking system be explored to provide improved visibility.</p>	<p>This recommendation will be considered as part of the wider College review of commercialisation and effectiveness of sports centre operations at the Gardyne Campus, as noted in the audit scope.</p> <p>Action Owner: Business Partnerships Manager</p> <p>Completion Date: 30 June 2025</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

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AUDIT & RISK COMMITTEE

Tuesday 3 December 2024



INTERNAL AUDIT

7.4- FOLLOW UP SUMMARY

PAPER G

BOARD OF MANAGEMENT

Audit & Risk Committee Tuesday 3 December 2024



Audit Recommendations Follow-up Summary

Paper for approval

1. Introduction

This report provides an update on outstanding internal and external audit recommendations. 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.

2. Recommendations

Members are asked to note the progress below and are asked to approve the revised implementation deadlines detailed in section 5 of this report.

3. Background

The following provides a summary of current progress in respect of audit recommendations up to 30 November 2024.

Audit Area	Rec. priority	Considered, but not agreed	Number agreed	Number fully implemented	Number partially implemented	Behind original implementation date	On target
Capital projects Sept 2023	3	-	3	3		-	-
Annual accounts	2	-	2	2		-	-
Risk Management February 2024	3	-	4	4		-	
Sustainability May 2024	-	-	-	-	-	-	-
Procurement & Creditors May 2024	2	-	6	1	1	4*	-
Sports Centre Review	NA		7	-			
Total		0	15	10	1	0	4

* In line with revised deadline

The recommendation priorities are detailed below. They denote the level of importance that should be given to each recommendation within the audit reports.

Priority 1	Material risk, requires attention of management and the Audit and Risk Committee
Priority 2	Significant risk, should be addressed by management
Priority 3	Minor risk or enhancement to efficiency and effectiveness

4. Progress to 30 November 2024

Ten recommendations are fully implemented, one partially implemented, four on target in line with the revised implementation dates agreed at the September meeting.

The current audit recommendations with the respective progress updates are detailed in Appendix 1 below.

5. Procurement and creditors Action Point Update

A report providing more detail on the implementation of the Procurement and Creditors recommendations is provided elsewhere on this agenda (Paper H).

6. 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 the relevant risks identified within the Strategic Risk Register.

Authors: Steve Taylor, Vice Principal Support Services and Operations
Andy Ross, Director of Infrastructure
Nicky Anderson, Director of Finance

Executive Sponsor: Steve Taylor, Vice Principal Support Services and Operations

Appendix A

Outstanding Recommendations Update 30 November 2024

Year	Audit Area Report Title	Priority Action Grade	Report Grade	Action	Responsible Officer	Deadline	Progress (as at 31 August 2024)
2023/09	Capital projects	3	Satisfactory	R1 – Reinstate the formal project appraisal procedures detailing the circumstances and threshold for the requirement to provide a strategic business case, and the level of appraisal required for projects below this threshold.	Director of Infrastructure	End June-2024 Request approval for revised deadline: 30 September 2024	Complete
2023/09	Capital projects	3	Satisfactory	R2 – For projects above an appropriate cost threshold ensure that recognised risk management processes such as project risk registers are utilised.	Director of Infrastructure	End June-2024 Request approval for revised deadline: 30 September 2024	Complete
2023/09	Capital projects	3	Satisfactory	R3 – It is recommended that a procedure be implemented which requires that all selection documentation for projects above a defined financial threshold which are not processed in conjunction with the Procurement Team (or compliant equivalent such as the SCAPE framework) be documented in a common format to support high level review to ensure that procedures are followed in line with the relevant regulations	Director of Infrastructure	End June-2024 Request approval for revised deadline: 30 September 2024	Complete

Appendix A

Year	Audit Area Report Title	Priority Action Grade	Report Grade	Action	Responsible Officer	Deadline	Progress (as at 31 August 2024)
2023/12	External Audit Annual Report – deficiencies in internal control	Level 2 (medium)	--	R1 - It is recommended an asset revaluation or at least an indexation estimate from an appropriately qualified property valuation expert is carried out annually	Director of Finance	31 July 2024 Request approval for revised deadline: 30 September 2024	Complete This work will be finalised as part of the Annual Report and Accounts process.
2023/12	External Audit Annual Report – deficiencies in internal control	Level 2 (medium)	--	R2 - It is recommended that management perform an annual review of the fixed asset register and ensure all assets being reported still exist and are in use. Any assets which are no longer in use or cannot be located should be accounted for as disposals.	Director of Finance	31 July 2024 Request approval for revised deadline: 30 September 2024	Complete This work will be finalised as part of the Annual Report and Accounts process.
2024/02	Risk Management	3	Satisfactory	R2 - The College should develop a framework to provide further guidance on how to assess the impact and likelihood of identified risks, ensuring a consistent approach for risk assessment.	Vice Principal Support Services & Operations	End Sept 2024	Complete

Appendix A

Year	Audit Area Report Title	Priority Action Grade	Report Grade	Action	Responsible Officer	Deadline	Progress (as at 31 August 2024)
2024/02	Risk Management	3	Satisfactory	R3 - The Board should consider and establish what the College's high-level risk appetite is for each defined risk category, and residual risks on the SRR should be formally considered for compatibility with this stated risk appetite. The UK Government Orange Book guidance note on risk appetite can be used for reference, particularly in relation to documenting the risk appetite.	Board of Management	31 October 2024	Complete
2024/02	Risk Management	3	Satisfactory	R4 - A plan should be implemented to ensure that periodic risk management training is provided for Board members, senior managers and other relevant College managers and staff.	Vice Principal Support Services & Operations and Board of Management	End Sept 2024	Complete
2024/03	Procurement & Creditors	3	Requires Improvement	R1 Although the College's Procurement Policy and Procurement Authorisation Process documents are comprehensive, clear, and are in line with extant Act and Regulations, they should be updated in line with the agreed review frequency to ensure that they accurately reflect any changes in relevant legislation, emerging procurement best practice, staff responsibilities, and the College's procurement values, aims, and approach.	Head of Procurement APUC	End August 2024 Request approval for revised deadline: 31 December 2024	Complete Revisions to be considered by F&P Committee

Appendix A

Year	Audit Area Report Title	Priority Action Grade	Report Grade	Action	Responsible Officer	Deadline	Progress (as at 31 August 2024)
2024/03	Procurement & Creditors	3	Requires Improvement	R2 The College should conduct a cost/benefit analysis to assess the impact of changing the approach for ordering of catering supplies and repairs in order to create additional opportunities for smaller, local suppliers to bid for the provision of goods and services related to catering. This could involve establishing the College's own purchasing framework (similar to the Minor Works and Building Maintenance framework currently being worked on) or comparing quotes from local suppliers for select categories of catering spend.	Head of Procurement APUC	End Nov 2024 31 August 2025	On track Revised deadline agreed
2024/03	Procurement & Creditors	2	Requires Improvement	R3 The College should improve enforcement of compliance in regard to raising POs for relevant transactions. The College should clearly communicate to staff that it is against the College's policy to arrange for the supply of goods or services without an appropriately approved PO and explain to staff how the process helps maintain value for money and minimise supplier risk. Consideration should be given to establishing a more robust "No PO, No Pay" policy, with exclusions explicitly defined and adequately explained to staff members.	Director of Finance	End Sept 2024	Partially implemented Revisions to be considered by A&R Committee

Appendix A

Year	Audit Area Report Title	Priority Action Grade	Report Grade	Action	Responsible Officer	Deadline	Progress (as at 31 August 2024)
2024/03	Procurement & Creditors	2	Requires Improvement	R4(ii) The College should communicate to all staff the purpose, importance, and added value of appropriately conducted procurement activity. Staff members should be reminded of the Procurement Policy and procedures in place, and of TRPT's strategic and operational role in managing and assisting with procurement activity. The need for compliance with the established procurement arrangements should be emphasised, and any repeated non-adherence by individuals or departments should be monitored and corrective action taken. A rationale should be given by the purchasing department in any instance where procurement activity has not been conducted in line with the College's guidance.		31 January 2025	On track Revised deadline agreed
2024/03	Procurement & Creditors	2	Requires Improvement	R5 The College should consider re-establishing induction and refresher training for non-procurement staff involved in purchasing and procurement activity. This would help staff to understand the legislative background and enhance their knowledge of business processes and internal governance, as well as familiarising them with TRPT and ensuring that they are aware of the team's strategic and operational role in relation to procurement activity	Head of Procurement APUC	End Sept-2024 31 March 2025	On track Revised deadline agreed

Appendix A

Year	Audit Area Report Title	Priority Action Grade	Report Grade	Action	Responsible Officer	Deadline	Progress (as at 31 August 2024)
2024/03	Procurement & Creditors	2	Requires Improvement	R6(iii) The introduction of built-in system controls in the Sun / P2P systems should be considered, which would require authorisation by an appropriately senior member of the Finance Team prior to any changes to supplier bank details going live and the account being enabled for payment. This would ensure that review and approval is not retrospective, and segregation of duties cannot be circumvented.	Director of Finance	End June 2024 31 December 2024	On track Revised deadline agreed

AUDIT & RISK COMMITTEE

Tuesday 3 December 2024



INTERNAL AUDIT

**7.5- PROCUREMENT AND CREDITORS
AUDIT UPDATE**

PAPER H

BOARD OF MANAGEMENT



Audit & Risk Committee Tuesday 3 December 2024

Progress Report - Procurement and Creditors Internal Audit Recommendations

Paper for information

1. Introduction

Procurement and Creditors was selected for review in our 2023/24 Internal Audit Plan and Audit and Risk Committee considered the Auditor's Report on 4 June 2024.

The overall report level of assurance was 'Requires Improvement' meaning the system has weaknesses that could prevent it fully achieving control objectives.

The auditors made six recommendations which were all accepted by management. The Audit and Risk Committee requested an update on actions arising from the Procurement and Creditors Report at this Committee meeting.

2. Recommendations

Members are asked to note the progress below.

3. Progress to November 2024

The following provides a summary of progress in respect of creditors and procurement audit recommendations up to 21 November 2024.

Recommendation 1

Priority Action Grade	Report Grade	Recommended Action	Responsible Officer	Deadline
3	Requires improvement	R1 Although the College's Procurement Policy and Procurement Authorisation Process documents are comprehensive, clear, and are in line with extant Act and Regulations, they should be updated in line with the agreed review frequency to ensure that they accurately reflect any changes in relevant legislation, emerging procurement best practice, staff responsibilities, and the College's procurement values, aims, and approach.	Head of Procurement APUC	31 December 2024 On target

Progress

The Procurement Strategy is finalised and will be presented to Finance and Property Committee for approval on 3 December 2024. We have prepared a draft Procurement Policy and Procurement Authorisation Process to reflect the revised Strategy to enable it to be issued as soon as possible after F&P approval.

We have reviewed the existing procurement thresholds and evidence requirements to ensure they remain fit for purpose. The revised thresholds have been considered by the Senior Leadership Team and are presented to Finance and Property Committee on 3 December 2024 for approval.

As soon as the strategy and thresholds are approved will issue them to staff and this recommendation will be complete.

Recommendation 2

Priority Action Grade	Report Grade	Recommended Action	Responsible Officer	Deadline
3	Requires improvement	R2 The College should conduct a cost/benefit analysis to assess the impact of changing the approach for ordering of catering supplies and repairs in order to create additional opportunities for smaller, local suppliers to bid for the provision of goods and services related to catering. This could involve establishing the College's own purchasing framework (similar to the Minor Works and Building Maintenance framework currently being worked on) or comparing quotes from local suppliers for select categories of catering spend.	Head of Procurement APUC	31 August 2025

Progress

Audit and Risk Committee agreed a revised deadline of 31 August 2015 for implementation of this recommendation to enable collaboration between APUC and the catering team. This work is progressing to the revised completion date.

Recommendation 3

Priority Action Grade	Report Grade	Recommended Action	Responsible Officer	Deadline
2	Requires improvement	R3 The College should improve enforcement of compliance in regard to raising Purchase Orders for relevant transactions. The College should clearly communicate to staff that it is against the College's policy to arrange for the supply of goods or services without an appropriately approved Purchase Order and explain to staff how the process helps maintain value for money and minimise supplier risk. Consideration should be given to establishing a more robust "No PO, No Pay" policy, with exclusions explicitly defined and adequately explained to staff members.	Director of Finance	End September 2024 Complete

Progress

We have reiterated to staff that it is against the College's policy to arrange for supply of goods or services without an appropriately authorised Purchase Order. We have explained how this maintains value for money and minimises risk.

The College's existing Purchase Order Requisition Procedure (PP1) requires POs to be raised for all purchases, with the exception of utilities (e.g. telephony, electricity, rates, rent) and emergency purchases, e.g. urgent estates repairs. The Purchase Order Requisition Procedure (PP1) ensures we comply with our financial governance requirements and in particular, Financial Regulations and Procurement Regulations.

Since we received this audit recommendation in May 2024 we have focussed our efforts on increasing purchase order usage and visible control in our highest spend areas. Estates comprises 30% (£1.9m) and Digital 19% (£1.3m) of our budgeted procurement related expenditure.

We have been working closely with Estates colleagues to identify suppliers with high volume/low value expenditure where we can consolidate invoices on a weekly/monthly basis. We are raising purchase orders with these suppliers for the expected spend for the week/month ahead, eliminating a significant amount of processing time, but increasing the overall value of purchase order compliance. There has been an increase in PO usage in this area to date (6% compared to 2023/24), but this is taking time for all involved to get used to the new process.

Next steps:

1. We will continue to support the Estates team to identify ways to increase purchase order usage and minimise processing time **(on-going)**
2. We will identify and prioritise other areas in the College where we can work with Budget Holders to consolidate purchase order and invoice activity. **(December 2024 onwards)**
3. We are monitoring PO usage on a monthly basis and will work with individual areas to improve Purchase Order usage across the College **(on-going)**

As discussed at Audit and Risk Committee, there is always a balance to be struck between the control arrangements in place and the efficient and pragmatic operation of College activities. The Senior Leadership Team has considered implementing a strict 100% No PO, No Pay Policy. This policy is increasingly in use by some public sector bodies to support financial control and compliance and is a desired way forward from a financial compliance perspective.

In practice, the No PO, no pay policy means invoices that do not contain a PO number will not be paid, potentially creating significant issues with suppliers and budget holders and impacting adversely on College operations. Given that c 35% of our transactions were recorded as having a PO, immediate move to this option is not recommended.

Following review of current arrangements, operational needs and development requirements the Senior Leadership Team are working to carry out the actions set out at 1 to 3 above with a view to increasing PO compliance across the College and more clearly identifying those activities and areas where a No PO, No Pay arrangements would have a negative impact on operations.

As this work is completed we will implement the No PO, No Pay Policy for all activities and budgets where this is possible for the 2025/26 financial year.

Recommendation 4

Priority Action Grade	Report Grade	Recommended Action	Responsible Officer	Deadline
2	Requires improvement	R4(i) The College should conduct a review of existing procurement arrangements, to ensure that external procurement support is structured in a way which will effectively contribute to the delivery of value for money and minimisation of risk at the College. This should involve a specific focus on the future role and responsibility of the TRPT given the existing resource constraints.	Director of Finance	End Sept 2024 Complete
2	Requires improvement	R4(ii) The College should communicate to all staff the purpose, importance, and added value of appropriately conducted procurement activity. Staff members should be reminded of the Procurement Policy and procedures in place, and of TRPT's strategic and operational role in managing and assisting with procurement activity. The need for compliance with the established procurement arrangements should be emphasised, and any repeated non-adherence by individuals or departments should be monitored and corrective action taken. A rationale should be given by the purchasing department in any instance where procurement activity has not been conducted in line with the College's guidance.	Director of Finance	End-September-2024 Revised deadline: 31 January 2025 Complete

Progress

Alongside recent increase in procurement staffing and revised operational arrangements we have reinforced with staff the purpose, importance and added value of procurement activity and the need to follow financial governance requirements. We are actively monitoring compliance, and corrective action will be taken where required. We require a written rationale where departments have not complied fully with procurement guidance.

Recommendation 5

Priority Action Grade	Report Grade	Recommended Action	Responsible Officer	Deadline
2	Requires improvement	R5 The College should consider re-establishing induction and refresher training for non-procurement staff involved in purchasing and procurement activity. This would help staff to understand the legislative background and enhance their knowledge of business processes and internal governance, as well as familiarising them with TRPT and ensuring that they are aware of the team's strategic and operational role in relation to procurement activity	Head of Procurement APUC	End Sept 2024 Revised deadline: 31 March 2025

Progress

Procurement training is currently being developed and we plan to have delivered the training by the end of March 2025.

Recommendation 6

Priority Action Grade	Report Grade	Recommended Action	Responsible Officer	Deadline
2	Requires improvement	R6 The College should examine the following elements of the process to amend standing supplier data: R6 (i) It should be ensured that the process utilised in practice is in line with the documented Bank Account Changes Procedures.	Director of Finance	30 June 2024 Complete
2	Requires improvement	R6 (ii) It should be ensured that evidence of processing the changes is appropriately retained in a shared location available to the Finance Team. This should capture all requests received, details of the changes made, how they were verified as bona fide, and evidence of any subsequent independent checks and approvals conducted. The establishment of a central record, available to the Finance Team, containing all amendments made to supplier standing data, such as a spreadsheet, should be considered.	Director of Finance	30 June 2024 Complete
2	Requires improvement	R6 (iii) The introduction of built-in system controls in the Sun / P2P systems should be considered, which would require authorisation by an appropriately senior member of the Finance Team prior to any changes to supplier bank details going live and the account being enabled for payment. This would ensure that review and approval is not retrospective, and segregation of duties cannot be circumvented.	Director of Finance	30 June 2024 Request approval for revised deadline: 31 December 2024 Complete

Progress

R6(i) The documented Supplier Bank Account Changes procedure has been revised and re-issued to finance staff.

R6(ii) Evidence of supplier bank account changes processed, verification and approval is retained in a central location accessible to the finance team.

R6(iii) We have consulted our supplier and it is not possible to build authorisation system controls into the P2P system to ensure segregation of duties controls cannot be circumvented. We are content that the existing internal controls provide adequate assurance.

4. Link to Strategic Risk Register

Information in this report is intended to provide Board members with reassurance that actions and activities are being progressed and addressed that support the mitigation of a range of risks identified within the Strategic Risk Register namely:

2.4 – Financial fraud

3.2 – Failure to achieve/maintain compliance arrangements, eg contracts, awarding bodies, audit.

Author: Nicky Anderson, Director of Finance

Executive Sponsor: Steve Taylor, Vice Principal Support Services and Operations

AUDIT & RISK COMMITTEE

Tuesday 3 December 2024



STRATEGIC RISK REGISTER

PAPER I

10.1- COVER PAPER

10.2- STRATEGIC RISK REGISTER



STRATEGIC RISK REGISTER

2023 - 2024

As at November 2024

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	DirSE	Director of Student Experience	2	Minor	Unlikely
	VPSO	Vice Principal Support & Operations	DirFin	Director of Finance	3	Significant	Possible
	VPCP	Vice Principal Curriculum & Partnerships	HoE	Head of Estates	4	Major	Probable
	DirInf	Director of Infrastructure	Chair	Chair of the Board of Management	5	Critical	Very Likely

Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS			TREATMENT	POST MITIGATION EVALUATION					
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
1	Strategic and Structural									

1.1 LT&Q	Failure of College strategy to meet the needs of the D&A Region and/or national priorities (eg Employability, DYW, attainment, articulation)	4	4	16	<ul style="list-style-type: none"> Robust strategic 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	3	12 ↔	<ul style="list-style-type: none"> Review of changes and amendment of strategic direction/plans Financial strategy sensitivities 	Principal & Chair

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

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Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS			TREATMENT	POST MITIGATION EVALUATION					
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
1	Strategic and Structural									

1.3 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, VPCP
1.4 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

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Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS			TREATMENT	POST MITIGATION EVALUATION			Lead Responsibility		
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood		Score	
1	Strategic and Structural									
1.5 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 	VPSO, DirInf, HoE

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

2.1 F&P	Change in Funding Body and/or Funding Methodology and Allocation – Reduction or restriction in Funding	3	4	12	<ul style="list-style-type: none"> Negotiation/influence at national level Contingency plans for amended funding levels or requirements 	3	3	9 ↔	<ul style="list-style-type: none"> Advance modelling of new funding requirements, methodologies, and allocations Monitoring impact of changes Amendment of strategic or operational direction / plans Financial strategy sensitivities 	VPSO
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 and SG Input to create sector ‘flexibilities’ 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 Effective use of sector ‘flexibilities’ to support sustainability Amendment of strategic priorities and timing to align with funding levels Review and amendment of activity and budget planning to address over/under performance against activity (credit) target Detailed monitoring of savings programmes Detailed monitoring & management of CDEL/RDEL risks 	VPSO

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	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
2	Financial (cont)									

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 	VPSO
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 	VPSO
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 & VPSO
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 	VPSO

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	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
3	People and Performance									

3.1 LT&Q	Failure to reach aspirational standards in learning, teaching, and service delivery	4	3	12	<ul style="list-style-type: none"> Clear quality arrangements and priority actions Continuous self-evaluation and action planning Rigorous CPD arrangements in place Regular classroom observation and learner feedback arrangements 	3	2	6 ↔	<ul style="list-style-type: none"> Comprehensive monitoring of key PIs and student/staff feedback Regular Stop and Review events External review and validation findings 	VPCP, VPSO, 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 	VPCP, VPSO
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, VPSO, HoE

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	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
3	People and Performance (cont.)									

3.4 HR&D	Failure to meet the aspirational standards in respect of the health, safety, wellbeing and development of staff and students	3	4	12	<ul style="list-style-type: none"> Clear and proactive approaches to managing and promoting health, safety, and wellbeing Continuous self-evaluation and action planning Rigorous CPD arrangements in place Regular staff and learner feedback arrangements 	3	2	6 ↔	<ul style="list-style-type: none"> Regular employee engagement monitoring Open communication with staff Comprehensive monitoring of key PIs and student/staff feedback Regular union/management dialogue 	VPSO
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	3	12 ↔	<ul style="list-style-type: none"> Stakeholder engagement Social media monitoring arrangements 	VPCP, 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 	VPSO, VPC&A

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Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS			TREATMENT	POST MITIGATION EVALUATION					
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
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 	VPSO
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 	VPCP, DirInf
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 	VPCP, VPSO

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	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
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 	VPCP, VPSO
3.11 Board	Failure to plan or respond adequately to future pandemic illness.	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
3.12 HR&D	Failure to attract, engage, retain or develop appropriately qualified staff.	4	3	12	<ul style="list-style-type: none"> Clear People Strategy and Workforce Planning in place Positive Union relations and staff communication Effective management development & CPD programmes Positive recruitment approaches and monitoring 	4	1	4 ↔	<ul style="list-style-type: none"> Absence & turnover monitoring Exit interviews Regular staff surveys 7 survey responding Monitoring and responding to staff concerns, union issues and employee relations concerns 	VPSO

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	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Responsibility
4	Infrastructure									
4.1 A&R	Major Disasters – eg Fire, MIS Failure, Failure of Emergency Procedures, RAAC or similar infrastructure failure	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, VPSO, DirInf
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 	VPSO, DirInf
4.3 A&R	Significant breach of ICT/Cyber security resulting in loss of service sufficient to impact College student / staff outcomes	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 	VPSO, DirInf
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 	VPSO, DirInf

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	VPCP	Vice Principal Curriculum & Partnerships	HoE	Head of Estates	4	Major	Probable
	DirInf	Director of Infrastructure	Chair	Chair of the Board of Management	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									

4.5	Lack of investment in ageing / beyond serviceable life infrastructure (inc RAAC, Asbestos and M&E failure concerns) impacts on financial sustainability and/or delivery of learning and/or services	4	4	16	<ul style="list-style-type: none"> Creation of long-term infrastructure principles and vision Multi-year estates strategy and capital planning Lobbying of SG and SFC on capital and backlog maintenance funding Identification of alternative funding routes Planning for D&A Foundation bids 	3	4	12 ↔	<ul style="list-style-type: none"> Lobbying of SG and SFC on campus vision and needs Prioritization of capital plans and expenditures Regular review of capital plans/timescales relative to funds 	Principal VPSO
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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

AUDIT & RISK COMMITTEE

Tuesday 3 December 2024



DATE OF NEXT MEETING:

TUESDAY 4 MARCH 2025, K-TO-624, KINGSWAY CAMPUS.

FINANCE & PROPERTY COMMITTEE

Tuesday 3 December 2024



**MINUTE OF THE FINANCE & PROPERTY
COMMITTEE MEETING**

PAPER M

BOARD OF MANAGEMENT



Finance & Property Committee

Tuesday 10 September 2024 at 5.00pm **Room K-TO-624,**
Kingsway Campus (MS Teams option available)

Minute of the Finance & Property Committee meeting held on Tuesday 10 September 2024 at 5.00pm, in Room K-TO-624, Kingsway Campus.

PRESENT:

Brian Lawrie	Ged Bell
Carri Cusick	Derek Smith
Stephen Oakley	Donald Mackenzie
Donna Fordyce	Laurie O'Donnell
Matthew Beattie	

IN ATTENDANCE: Julie Grace (Vice Principal Curriculum and Partnerships)
Steven Taylor (Vice Principal Support Services & Operations)
Nicky Anderson (Director of Finance)
Andy Ross (Director of Infrastructure)
Penny Muir (Board Administrator)
Scott Anderson (Independent Observer for the Board)

1. WELCOME

B Lawrie, acting chair, welcomed everyone to the Finance & Property Committee meeting. He welcomed Scott Anderson as an Independent Observer for the Board and Ged Bell as a new member of the Board.

2. APOLOGIES

Apologies were received from Simon Hewitt, Daniel Rosie, Roy McLellan, and Billy Grace.

3. DECLARATIONS OF CONNECTION & INTEREST

No declarations were noted.

4. MINUTE OF THE PREVIOUS MEETING

The minute of the Finance & Property Committee meeting held on the 28th of May 2024 was approved as an accurate record.

5. MATTERS ARISING

Matters arising around the Gardyne Theatre to be updated to include the date of review.

6. FINANCE

(i) Financial Sustainability

S Taylor provided a verbal update noting that flat cash funding is expected to continue, with a small increase to support the academic pay deal. National discussions are ongoing, with the academic settlement likely to set a baseline platform with support unions, although this is unlikely to be funded. S Taylor highlighted that costs are expected to rise, and the College is actively working on identifying necessary savings and developing plans to address financial challenges in the foreseeable future.

S Taylor stressed the outlook for the foreseeable future remains tight. During the HR Committee discussion, it was emphasised that, based on current information from the UK and Scottish Governments, funding is unlikely to increase, presenting a very challenging environment.

B Lawrie enquired about the timing for discussions around the 2025/26 draft budget. S Taylor responded that these discussions typically begin in December, with an indicative funding allocation from the Scottish Funding Council expected in February 2025, and confirmation anticipated by May 2025.

S Taylor noted that the savings efforts over the past few years have made a positive difference. S Oakley asked about the likelihood of a further savings plans exercise to which S Taylor confirmed that ongoing savings are being sought as needed. He expressed hope, that with greater clarity from the academic side, the college can better plan its finances and avoid further extensive savings exercises.

L O' Donnell stressed that continued savings are necessary to innovate and meet the needs of students, partners, and businesses. He emphasised that savings should be viewed as part of the college's sustainable management strategy.

B Lawrie remarked that while finances are often seen negatively, making savings can present opportunities for redevelopment and investment. He suggested that the focus should shift from reductions to how finance can create opportunities. S Oakley suggested reframing the conversation around savings to focus on efficiency instead.

S Taylor acknowledged the challenges of public sector funding but highlighted the ongoing work on project funds and the efforts to explore new opportunities. He stated the environment remains challenging, but the college is taking proactive steps.

S Oakley also noted that trade unions are focusing on funding and lobbying for education as a whole.

B Lawrie thanked S Taylor for the update.

(ii) Forecast Outturn 2023/24

N Anderson highlighted the Forecast Outturn 2023/24 report.

N Anderson highlighted that the report projects a current surplus of £1.3 million, representing a movement of £786k since the Quarter 3 report.

N Anderson stressed that the report comes with a health warning, as there is still significant work to be completed on the final accounts.

L O'Donnell asked if the projected surplus does not account for the loan at Gardyne. N Anderson confirmed this, adding that adjustments can be made going forward to improve reporting, separating operating, project, and capital costs.

D Fordyce found the spreadsheet helpful and inquired whether the surplus, if achieved, could be used for additional purposes. N Anderson explained that this is unlikely, as the loan remains to be paid off. She further noted that the loan can be repaid at any time, offering some flexibility if the situation improved.

The paper was noted.

(iii) 2024/25 Budget Setting, Monitoring & Reporting Update

N Anderson noted that the budget was approved by the Board in June 2024 which reflected a deficit of £464,000, in addition to the loan of £457,000, resulting in a total budgeted deficit of £921,000 for 2024/25. N Anderson noted that the normal budget-setting process is being followed, with ongoing refinements aimed at presenting a more balanced budget to the Finance & Property Committee (F&PC) and the Board of Management in December 2024.

Currently, the budget shows an additional deficit of £437,000, increasing the overall deficit, including the loan, to £1.36 million.

N Anderson highlighted that discussions are ongoing with the Senior Leadership Team (SLT) to focus on bringing the budget back into a more balanced position before the December meeting.

D Fordyce noted the significant financial pressures, acknowledging the challenge of maintaining staff momentum while finding efficiencies. N Anderson responded positively, highlighting that the college has been effective in implementing efficiencies and has much of the necessary framework in place to achieve the required savings.

B Lawrie raised a concern about the additional pressure placed on finance staff, given the shift towards increased accountability of budget holders and changes in financial processes. He asked whether there were adequate resources within the finance team to manage this. N Anderson advised that resources are limited but confirmed they are still on track to meet targets, highlighting new opportunities within the Finance Department.

S Taylor added that regular catchups are being held to prioritise tasks and establish timelines. He noted that this year is a transitional period, with the current budget set similarly to previous years but now being reviewed with a fresh perspective. Over the next two years, the aim is to achieve closer alignment between budget planning and execution, enabling more effective in-year decisions; emphasising the importance of accurate financial planning to support curriculum and service developments and opportunities.

S Oakley questioned the flexibility of finances and asked what training resources would be provided to help budget holders support efficiency. N Anderson responded that September monitoring is underway, with October being the first opportunity to meet with individual budget holders. Following these meetings, training will be provided to budget holders, with the planned approach to work closely with individual managers through month-by-month training to support them over time. N Anderson emphasised that this process would take time and will not be a one-size-fits-all approach, with the focus on building trust with budget holders and to improve the accuracy of financial forecasts.

The current forecast and planned steps to improve the budget position and accuracy were noted.

(iv) Financial Regulations Review

N Anderson highlighted this paper for approval and noting.

N Anderson highlighted that the financial regulations have been updated to better align authority levels with responsibility under the new senior management structure. This includes adjustments to purchasing authority and asset disposal.

N Anderson highlighted that updated procurement thresholds will be submitted to the Committee for approval in December, once the new procurement service roles and responsibilities are finalised.

L O'Donnell mentioned a potential change to the papers in addressing 'the Council' as the 'Scottish Funding Council' (SFC).

The paper and changes in thresholds were approved. **N Anderson to progress.**

(v) Financial Forecast Return (FFR)

N Anderson reminded the committee that the submission of the Financial Forecast Return (FFR) in June did not align with the committee's meeting schedule for approval. As a result, the FFR was approved by L O'Donnell, as Board Chair, and B Lawrie, acting on behalf of the Finance & Property Committee Chair.

The content and approach adopted for completion of the FFR was noted and S Taylor expressed a desire to make better use of the FFR going forward as part of the Colleges financial strategy and planning.

It was noted that the FFR had been discussed with SFC who were content that the College understood the impact of potential flat cash funding and the possible need for savings to balance future budgets.

The retrospective approval of the paper was recorded.

7. INFRASTRUCTURE

(i) Future Infrastructure Vision

S Taylor provided a short update on the 10-year vision, outlining the desired direction for future campus development / replacement. While there have been many conversations and significant interest, there is nothing tangible at this time., although positive feedback has been received and discussions were ongoing with SFC and the Scottish Government.

Work would progress on creating a strategic outline case. B Lawrie enquired whether Dundee Council was involved. It was confirmed that both Angus Council and Dundee Council are active in discussions.

The update was welcomed.

(ii) Estates Update

B Lawrie highlighted that the capital funding figure should be updated to £2.53 million. **B Grace to progress.**

S Taylor reported significant progress over the summer, including extensive developments in teaching spaces. Although there were some challenges and delays in delivery of carpets / furniture, these have been addressed, and noticeable improvements are evident at all campuses. He expressed appreciation for the hard work of B Grace and A Ross and their teams throughout the summer.

D Fordyce inquired about further developments concerning funding to replace RAAC from the Scottish Government. S Taylor responded that no additional funding is available, and that monitoring was continuing.

S Oakley questioned how to improve the estates project process to minimise its impact on students. He commended the efforts made and asked about the involvement of contractors. A Ross explained that efforts are made to align with schedules and gain early access to specific areas as early as possible at the summer. Each year provides new lessons and improvements.

B Lawrie thanked everyone for their contributions, acknowledging the huge effort made on the range of projects in the short timeframe.

8. GARDYNE THEATRE REVIEW

N Anderson presented the current financial position of the Gardyne Theatre, noting a deterioration in the 2023/24 outturn.

A review of the cost versus income per show is underway, revealing that margins are minimal, with many shows having expenditures that exceed the income they generate. Further analysis is required. Efforts are being made to identify potential savings, review staffing levels, assess bar income and charges, and explore additional income opportunities. N Anderson noted that results from this review are expected by the end of October or early November 2024.

To support GTL's continued operation, the Board had been asked to approve a delay in collecting the £20,000 SLA recharge for the 2023/24 period by six months and to provide a maximum of £5,000 per month until December 31, 2024, to improve GTL's cash position. The Board agreed to support this.

B Lawrie inquired if GTL could operate at a loss, questioning whether it would pass the OSCR financial viability tests should there be a move to establish it as a charity. N Anderson acknowledged the need for substantial data and analysis to determine if the issue is purely cash flow-related.

S Taylor noted the need to stabilise the college's position and secure additional funding for GTL. G Bell asked about the college's influence over the GTL board. S Taylor explained that while the college owns GTL, it operates with its own board but maintains a close relationship. The theatre's financial stability is essential, given the pressure on public funding and the significant impact of grant cuts.

L O'Donnell emphasised the importance of the theatre as a community asset, stressing the need to consider its social and cultural impact alongside its financial performance and noted the need for the College to safeguard it for future generations.

D Smith asked about other commercial income opportunities and S Taylor mentioned that GTL is used for various commercial events but that options were limited by the nature of the facilities.

The Board approved the proposed measures and will review the situation at the December meeting. **N Anderson to progress.**

9. PROCUREMENT UPDATE

N Anderson presented a Procurement update for approval.

She highlighted that iTrent, the payroll system utilised by Dundee & Angus College, is due for renewal. N Anderson explained that the college is exploring the possibility of a contract extension to synchronise the HR/Payroll contract renewal dates with other financial system renewal dates, aiming to provide more flexibility.

C Cusick inquired about the nature of Associate Trainers and the purpose of this procurement. J Grace responded that the procurement team is in the process of renewing the contract and evaluating its use within the college. The proposed extension of two years would allow the procurement team to meet demand and ensure continuity for commercial training provision.

The committee approved the update and procurement requests.

10. STRATEGIC RISK REGISTER

S Taylor stated that there are no proposed changes at this time. This was approved.

11. SUPPORT SERVICES REPORT

N Anderson highlighted the report for noting.

B Lawrie expressed gratification regarding the increased demand for the Service Design Academy's services. He commended the positive improvements and extended his thanks to everyone involved in generating the report.

12. DATE OF NEXT MEETING. Tuesday 3 December 2024, 5.15pm Kingsway Campus (Joint meeting with the Audit & Risk Committee)

Action Point Summary

Action	Responsibility	Date
Financial Regulations to be updated as per proposals	N Anderson	30 October 2024
Correct the capital funding figure to £2.53 million	B Grace	3 December 2024
Update on GTL	N Anderson	3 December 2024

FINANCE & PROPERTY COMMITTEE

Tuesday 3 December 2024



MATTERS ARISING

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BOARD OF MANAGEMENT
Finance & Property Committee
Tuesday 3 December 2024
Matters Arising



Paper for information

The following actions were noted from the Tuesday 10 September 2024 Finance & Property Committee meeting.

Agenda Item No	Action	Current status	Open / Closed
6.0	Financial Regulations to be updated as per proposals N Anderson	Included on agenda	Closed
7.0	Correct the capital funding figure to £2.53 million B Grace	Corrected on report	Closed
8.0	Update on GTL N Anderson	Included on agenda	Closed

The following actions were noted from the Tuesday 28 May 2024 Finance & Property Committee meeting.

Agenda Item No	Action	Current status	Open / Closed
8.0	Change to charitable status for GTL to be progressed (subject to GTL Board approval) N Anderson	Discussions / arrangements on-going	Open

Author & Executive Sponsor: Steven Taylor, Vice Principal Support Services and Operations

Finance and Property Committee

Tuesday 3 December 2024

2024/25 Budget Update and Budget Monitoring Report at 31 October 2024



Paper for information

1. Introduction

This report sets out the current projected outturn for the year 1 August 2024 to 31 July 2025 as at 31 October 2024. This report also sets out the cashflow forecast for the same period.

2. Recommendation

Members are asked to approve the revised budget (detailed in Appendix A) with the understanding that work is on-going to bring the outturn to a more balanced position in line with the approved June 2024 budget.

Members are asked to note the projected 2024/25 outturn figures as at 31 October 2024 and the related cashflow projection.

3. Executive Summary

Our Board approved a deficit budget of £921k (including £457k loan) in June 2024. After the adjustments set out in section 4 of this report, the position is a deficit budget of £1,357k for 2024/25. This budget comprises our operating, projects and capital budgets and includes the loan.

The budget assumes that the College can continue to utilise capital budgets towards essential repairs and maintenance (revenue), however, SFC is currently holding firm on their instruction to use capital budgets for capital only.

Projections at 31 October 2024 show that the College will overspend on operating and projects by £2,262k by 31 July 2025. There will be a corresponding underspend of £1,042k on capital if the SFC does not reverse this decision or identify other options.

If the College is allowed to utilise the capital underspend on essential estates revenue expenditure there would be an outturn deficit of £1,220k.

4. 2024/25 Budget

Our Board approved a deficit budget of £921k (including £457k loan) in June 2024. Since this time, we have made adjustments to the budget, set out below.

Income movements

We reduced grant and project income budgets by £603k as we will receive less grant/project funding than expected when the budget was set. Budgeted income reduced for the following projects: Greenskills, UKSPF, SME Upskilling and Tay Cities SME Skills. We reduced Gardyne Sports Learn to Swim and Fitness Suite income by £244k. These reductions are partially offset by additional income totalling £494k for new projects including UKSPF Training, NHS Charitable Trust, Princes Trust and Sunrise.

Expenditure movements

Our overall staff pay budget has reduced by £97k. This is due to reduced project pay costs of £147k. This is partially offset by additional PTV costs of £50k.

The budget for non-staff costs has increased by £182k since the draft budget was set. This mainly relates to expenditure for the new UKSPF project.

Revised overall budget position

After all the above movements our overall revised 2024/25 budget is a deficit of £1,357k. This budget deficit assumes that SFC will allow capital budget to be utilised towards estates revenue expenditure.

5. Operating budget

Appendix A shows our revised operating budget (including projects) after removal of the capital budget (section 6). Work is in progress to split projects to show the Colleges operating budget separately.

Once the capital element of our budget is removed there is a budget deficit of £2.763m. This is our operating and projects budget deficit of £1,357 and the remaining £1,406 is the budgeted amount that we need from our capital budget to fund essential maintenance expenditure (revenue).

6. Capital

Our capital budget for the 2024/25 financial year (FY) is £2,530k. We budgeted to capitalise £1,124k of this and planned for £1,406k to be available to utilise towards revenue repairs and maintenance expenditures.

Capital Budget	2024/25 £000
Income	
Capital grant	(2,530)
Expenditure	
Loan	457
Estates projects	390
Infrastructure	77
Digital	200
Total expenditure	1,124
Net expenditure	(1,406)

We are closely monitoring the capital budget during the year and working to ensure we capitalise as much expenditure as possible. In the meantime, we have informed the SFC of this projection to inform any decisions to apply capital to revenue.

7. Projected Outturn as at 31 October 2024

Operating budget projected outturn

Appendix B details the College operating budget including projects compared to the current projected outturn. Our operating budget (including projects) is a projected deficit of £2.262m as at 31 October 2024. We expect to capitalise £364k more than budgeted and projected expenditure is £137k underspent compared to budget. Movements to the projection are described below.

Staff costs

The projection for staff costs has increased by £230k due to the Chancellors budgeted National Insurance increase from 1 April 2025. The projection assumes that this will be fully funded by Scottish Government.

ALF Funding

The projection does not include funding requested from the D&A Foundation to support the College to progress its infrastructure vision. If approved this would increase income by £110k in 2024/25 mainly with corresponding expenditure but delivering a small contribution to current costs.

Property Costs

We estimate that we can capitalise £282k more estates expenditure than budgeted. This has reduced the operating budget projection. An underspend of £137k relates to the following estates projects we have decided not to take forward:

Estates	£000
Road resurfacing	50
Building Management System	22
Contingency not required	40
Classroom refurbishment Clova	15
Social Enterprise, Next Steps	10
Total estates underspend	137

Digital Costs

We estimate we can capitalise £82k more digital costs than budgeted. This has reduced the operating budget projection.

Capital Budget Projected Outturn

We expect to be able to capitalise £364k more than budgeted. This leaves an underspend of £1,042k on our capital budget. SFC currently remain firm on their instruction that the capital maintenance budget must be utilised only on expenditure that can be capitalised, however, they are currently assessing the impact on colleges' 2024/25 budget position.

Capital Budget	2024/25	Projected
	£000	Outturn at 31 Oct £000
Income		
Capital grant	(2,530)	(2,530)
Expenditure		
Loan	457	457
Estates projects	390	551
Infrastructure	77	198
Digital	200	282
Total expenditure	1,124	1,488
Net expenditure	(1,406)	(1,042)

8. Cashflow projection

Cash held at 31 October 2024 is £6,800k. Unrestricted cash currently represents 29 days cash, relative to forecast expenditure.

Cashflow forecast 24/25	2023/24	2024/25
	Actual	Forecast
	£000	£000
Cash backed surplus/(deficit)	1,478	(1,358)
Loan repayment	(457)	(457)
Capital expenditure	733	1,488
Capital funding	(733)	(1,488)
Asset disposal		38
Working capital movements	219	(3,940)
Net movement in cash balances	1,240	(5,717)
Opening cash balances	5,533	6,773
Closing cash balances	6,773	1,034
Net movement in cash balances	1,240	(5,739)

This cashflow projection assumes that we will receive additional income from the SFC during the year for the SPPA pension increase of £450k and National Insurance increase of £230k.

9. Link to Strategic Risk Register

Managing the budget and reporting to the SLT supports the mitigation of strategic risk 2.2 – failure to achieve institutional sustainability.

Author: Nicky Anderson – Director of Finance
Executive Sponsor: Steve Taylor, Vice Principal – Support Services & Operations

Operating Budget 2024/25	Revised Budget £000	Remove capital £000	Revised Operating Budget £000
Teaching Grant	(31,371)		(31,371)
Capital Grant	(2,530)	2,530	0
Other SFC Grants	(929)		(929)
SFC Total	(34,830)	2,530	(32,300)
Tuition Fees	(3,124)		(3,124)
Non core income	(3,740)		(3,740)
Catering & other income	(2,222)		(2,222)
Total income	(43,916)	2,530	(41,386)
Staff pay			
Teaching pay - established	16,482		16,482
Teaching pay - variable	2,285		2,285
Invoiced staff costs	155		155
Teaching support pay	2,730		2,730
Support pay	12,730		12,730
Apprenticeship levy	108		108
Voluntary Severance Scheme	300		300
Unfunded pension payments	430		430
	35,220	0	35,220
Non staff costs			
Staff related costs	307		307
Consumables and equipment	1,610		1,610
Exam fees	761		761
Student related costs	159		159
Property cost	3,430	(467)	2,963
ICT and telephony	1,134	(200)	934
Insurance	202		202
Marketing	279		279
Professional fees	161		161
General overheads	323		323
Interest and charges	101		101
VAT	937		937
UKSPF training grants out	186		186
	9,588	(667)	8,921
Total Income	(43,916)	2,530	(41,386)
Total Expenditure	44,808	(667)	44,141
Non-consolidated (surplus)/deficit	892	1,863	2,755
GTL deficit	8	0	8
Deficit Budget	900	1,863	2,763
Loan repayment	457	(457)	0
	1,357	1,406	2,763

Operating and projects budget 2024/25	Revised Operating Budget £000	Movement £000	Projected Outturn at 31 Oct £000
Teaching Grant	(31,371)	0	(31,371)
	0	0	0
Other SFC Grants	(929)	(230)	(1,159)
SFC Total	(32,300)	(230)	(32,530)
Tuition Fees	(3,124)	0	(3,124)
Non core income	(3,740)	0	(3,740)
Catering & other income	(2,222)	0	(2,222)
Total income	(41,386)	(230)	(41,616)
Staff pay			
Teaching pay - established	16,482	230	16,712
Teaching pay - variable	2,285	0	2,285
Invoiced staff costs	155	0	155
Teaching support pay	2,730	0	2,730
Support pay	12,730	0	12,730
Apprenticeship levy	108	0	108
Voluntary Severance Scheme	300	0	300
Unfunded pension payments	430	0	430
	35,220	230	35,450
Non staff costs			
Staff related costs	307	0	307
Consumables and equipment	1,610	0	1,610
Exam fees	761	0	761
Student related costs	159	0	159
Property cost	2,963	(419)	2,544
ICT and telephony	934	(82)	852
Insurance	202	0	202
Marketing	279	0	279
Professional fees	161	0	161
General overheads	323	0	323
Interest and charges	101	0	101
VAT	937	0	937
UKSPF training grants out	186	0	186
	8,921	(501)	8,420
Total Income	(41,386)	(230)	(41,616)
Total Expenditure	44,141	(271)	43,870
Non-consolidated (surplus)/deficit	2,755	(501)	2,254
GTL deficit	8	0	8
Deficit Budget	2,763	(501)	2,262
Utilise capital as revenue	(1,406)	364	(1,042)
	1,357	(137)	1,220

Risk	Forecast outturn £000	Risk Assessment			Mitigating Actions & Owners
		Likelihood	Impact	Overall	
Our Revenue forecast, operating and project budget is a projected outturn of £1,220k deficit.	1,220	Medium	High	High	Work in on-going to bring the outturn to a more balanced position in line with the approved June 2024 budget. SLT
The budget assumes that the college can continue to utilise capital budgets towards revenue. If this is not the case, our projected outturn increases by £1,042k to £2,262k	1,042	High	High	High	We have informed SFC of the financial implications of not allowing use of that capital budget towards revenue expenditure. We are lobbying SFC and Scottish Government alongside other Colleges.
SFC Capital Maintenance Grant – Grant condition changes means that if only capital expenditure is allowed our revenue deficit would be £2,262k by 31 July with a capital underspend of £1,042k	(1,042)	High	High	High	
Other SFC Grants - Projections assume that we will receive the following additional grants from SFC during the year: <ul style="list-style-type: none"> SPPA pension increase of £450k National Insurance increase of £230k. 	(929)	Low	Medium	Medium	This funding has not been formally confirmed by SFC there is a reasonable expectation across the sector that this expenditure will be funded.
SFC Credit Income	(31,371)	Low	Medium	Medium	Current student data confirms with reasonable certainty that our credit target will be achieved.
Tuition Fees	(3,124)	Low	Low	Low	We have limited influence over demand, however we can influence recruitment, delivery and retention.
Non-core income	(3,740)	Low	Low	Low	This category contains a disparate range of activities. There is potential for movement on projects income and expenditure.
Catering and other income	(2,222)	Medium	Low	Medium	Forecasts tend to be prudent, however, there is potential for adverse movement on catering and sports income given the current cost of living crisis.
Staff Pay	35,220	Medium	Medium	Medium	There is a risk of variance to staff pay compared to budget, though this has reduced significantly now the pay award has been agreed. We are working to produce the budgeted establishment and this will inform future projections. We will be meeting with budget holders on a monthly basis to identify change to the projection and enable prompt identification of variances.
Property costs	2,963	Low	Low	Low	Property costs are being carefully managed in year in order to mitigate the risk arising from the changes regarding use of capital budgets.
Non pay expenditure, excluding property	5,958	Low	Low	Low	Effective budget monitoring and monthly meetings with budget holders will ensure these budgets are effectively controlled and variances are identified early enabling prompt mitigating action.

BOARD OF MANAGEMENT

Finance and Property Committee Fees 2025/26



Paper for discussion/approval

1. Introduction

This paper outlines the rationale for the recommended programme fees for academic year 2024/25. It is proposed that in the main we do not increase fees for next academic year, although we are proposing an increase to our international fees in-line with current staffing costs.

2. Recommendation

It is recommended that the Finance & Property Committee approve the fees for 2025/26.

3. EU and Rest of UK Fees

Full time fees

These fees are set nationally, the Advanced full-time fees set by Student Awards Agency have not changed for 16 years and do not reflect the true cost of delivery.

Part Time fees

It is recommended that no specific increase be made for session 2025/26 to this category of fees.

It is challenging to increase our traditional part-time HN fees, when the full-time fees for the same qualification have not increased for such a significant time, we need to keep part-time fees comparable and do not want to make studying part-time unaffordable.

In comparison to neighbouring colleges our part-time fees continue to be at the higher end of the range for Higher & National qualifications, this is also not a growth area of our portfolio therefore to remain competitive the proposal is no change to fees.

4. Commercial Programmes

It is recommended that no increase to the commercial hourly rate, this is in-line with current staff costs.

It is noted that the region still faces significant economic challenges and where there are specific opportunities to enhance fees the usual factors that influence any pricing strategy will be taken into account:

- level of competition
- perceived value of the product
- product development cost
- economic trend

- market demand
- demographics
- socio-economics of targeted customers

5. International Fees

It is recommended that international fees increase to £8,000 for full-time provision and short full-time and unit prices align with this. International fees have not been increased for 2 sessions and this would remain competitive with universities and other colleges. This is not a growth area for us due our capped visa allocation from the Home Office.

6. Conclusion

We are committed to continuing to maximise funding whilst seeking new funding initiatives. Our priority remains to support the region's economic recovery rather than increasing our fees.

Author: Leann Crichton, Director of Student Experience
Executive Sponsor: Julie Grace, Vice Principal Curriculum and Partnerships

Appendix

	<u>2023/2024</u>	<u>NOTES</u>
1 EU & Rest of UK (RUK) Students		
1.1 Full-time (including ESOL)		
Advanced (Degree Equivalent)	£1,820	Eligible students will be entitled to have tuition fees paid by SAAS.
Advanced (Higher National or Equivalent)	£1,285	
Non-Advanced (inclusive of Assessment/Examination Fees)	£1,008	
1.2 Part-time – Traditional (Core) HNC/D programmes	£780	This charge will be per academic session for programmes studied over 2 years.
PDA Programmes Up to 3 credits	£250 - £420	
4 – 6 credits		Each programme costed individually, variances are on teaching materials required.
Over 6 credits	£450 - £700	
Higher & National 4/5 programmes	£750 - £1,200	
All other core part-time programmes – Single credit model.	£400	Fee per course inclusive of SQA costs.
	£140	Students charged for the number of credits they are undertaking.
1.3 Part-time – Commercial		
Commercial PDA – fee per unit.	£600	Per costing policy. Additional assessment/activity may incur charges.
Commercial Training Hourly Rate (including VQs, MAs & Lets)	£80p/h	

1.4 Re-Assessment Charges	
Fee per Single Credit	£50 Additional Assessment (AAA) rates may be added if applicable.
1.5 No Recognised Qualification Programmes	
Credit bearing courses to be costed at hourly rate <u>plus</u> the full cost of any course materials.	£3.50 p/h
Leisure courses to be costed at hourly rate plus the full cost of any course materials.	£7.00 p/h
1.6 Overseas Students (Non EU)	
Full-time programmes (including accelerated HNs)	£8,000
Short full-time FE	£4,000
Remote Delivery programmes	
All other programmes – per single credit	£550

FINANCE & PROPERTY COMMITTEE

Tuesday 3 December 2024



INFRASTRUCTURE

19.1- ESTATES UPDATE

PAPER Q

BOARD OF MANAGEMENT
Finance & Property Committee
Tuesday 3 December 2024



Estates Update

Paper for noting

1. Introduction

This paper provides an update on estates related activity since the last report to the committee.

2. Recommendations

Members are asked to note the report.

3. Capital Funding for Maintenance

The Estates team has continued to tackle the extensive list of projects that were identified for the Capital Funding for Maintenance grant for the period 1st April 2024 – 31st March 2025 which was **£2,529,667.00**

The majority of the works that had been identified as part of the initial £1.2m allocation for Backlog Maintenance works and Infrastructure Improvement projects have now been completed but there are a couple of significant projects currently in progress which will also be completed by 31st March 2025 –

- Pump replacement project at Kingsway
- Boiler replacement in the CALC in Arbroath
- Boiler replacement in the CSW in Arbroath
- Building Management System upgrade in Arbroath
- Replacement of Passenger Lift in the CALC building in Arbroath

Some of the previously identified projects have been deferred in particular –

- Swimming Pool Plant Upgrade in Gardyne
- Installation of Passenger Lift in Sports Block in Gardyne

Deferring the projects above has enabled additional spend for other additional priorities including floorcoverings in the Science building and also the Space auditorium and also a significant increase in furniture procurement primarily in Arbroath and Gardyne.

The remainder of the overall budget was allocated to

- Lifecycle Maintenance
- Loan Repayment

The approved projects are detailed below along with their current status -

Estates Priority Backlog Maintenance Projects

Project	Campus	Estimated Value (inc VAT)	Project Status
Pump replacement in Kingsway boiler houses	KC	£70k	Nearing Completion
Science Annexe Internal Fabric refurb – Painting and Ceilings	KC	£40K	Complete
Science Annexe LED Lighting replacement	KC	£9k	Complete
Horticulture path replacement	KC	£15k	Complete
Engineering Staff Workroom Refurb	KC	£12k	Complete
CLOVA Building Roof repairs	AC	£30k	In progress
CALC Building Gas Boiler replacement	AC	£72k	In progress
CSW Building Gas Boiler replacement	AC	£72k	In progress
CALC Building Lift Replacement	AC	£72k	In progress
CALC Building Internal Fabric refurb – Levels 2 & 3– Floorcoverings, Painting, Ceilings	AC	£120k	Complete
CALC Building LED Lighting replacement	AC	£15k	Complete
General road repairs / resurfacing	GC	£50k	Delayed till Spring next year
Pool plant Upgrade	GC	£0k	Deferred
New Sports Block lift	GC	£0k	Deferred
Gardyne Smoking Shelter	GC	£5k	Complete
CCTV Review	KC/AC	£50k	In progress
Campus Signage	All	£35k	In progress
Furniture Investment	All	£120k	Complete
General LED lighting replacements	All	£30k	ongoing
Hardwire testing (electrical)	AC/GC	£50k	In progress
Building Management System Upgrade	All	£30k	In progress
Eniscope – real time energy monitoring system upgrade	All	£10k	In progress
Equipment replacement	All	£30k	ongoing
Contingencies	All	£20k	
Total Costs		£957k	

Infrastructure Change Group Approved Projects

Project	Campus	Estimated Value (inc VAT)	Project status
Creation of new Supported Education Facility in the CALC	AC	£48k	Complete
Creation of new LEAP facilities in the Clova – create office, new kitchen space, flooring, new ceiling, new lighting and power, painting	AC	£30k	Complete
Refurb new Essential Skills spaces in the Esk – 1.05 to become staff workroom Esk 1.04 to revert back to a classroom with Esk 1.06	AC	£12k	Complete
Create new Prayer room in the Isla Building	AC	£6k	Complete
Split CALC 2.02/2.03 into 2 classrooms	AC	£15k	Complete
Science Annexe – creation of Clean Lab – storage units, flooring, lighting and power, painting	KC	£6k	Complete
New carpet ground floor Space building and auditorium	KC	£24k	Complete
General Painting in the Space	KC	£5k	Complete
Additional lockers for Hair and Beauty students	KC	£0k	Deferred
Y108 to be made into a staff workroom. Y106 to be an ICT classroom. All computers from Y103 and Y105 to be used.	GC	£12k	Complete
Convert NA22a and/or NA22b into purely ICT rooms.	GC	£12k	Complete
Removal of Office in Y327 to increase capacity to 24	GC	£10k	Complete
PE Staff Workroom refurb – flooring and painting	GC	£6k	Complete
Y248 – install additional circular tables with power and data.	GC	£10k	Complete
Contingencies	All	£20k	
Total		£216k	

4. Update on RAAC – Kingsway Campus

Following the discovery of RAAC in the floor slab on each floor of the Kingsway Tower Block during the summer, Structural Engineers – Christie Gillespie was commissioned to carry out a non-invasive survey on each floor. Six sample inspection hatches – approx. 600mm x 600mm were cut out on each of the tower floors to allow the survey to be done.

The subsequent survey report highlighted in the main that the condition of the RAAC was in the low to medium risk category. However, some localised areas were identified as

being in the medium to high-risk category as defined in “Reinforced Autoclaved Aerated Concrete (RAAC) Estates Guidance”.

The remedial actions identified have since been progressed.

Regular updates were provided to staff and students throughout this process as well as informing SFC of the steps we had taken following the discovery of the RAAC.

The annual check of the RAAC in the Construction and Engineering buildings has also been completed. No remedial action is needed therefore we will continue with annual monitoring.

We will continue to arrange and conduct specialist inspections and progress with any actions required in terms of the medium or longer-term maintenance of RAAC to ensure that these areas remain safe.

We also continue to follow national guidance and have been engaging with the Scottish Funding Council (SFC) and the Scottish Government about funding for this issue (which affects many across the sector) as part of our longer-term infrastructure and campus development plans.

5. Scottish Funding Council Estates Infrastructure Baseline Exercise

Stage 1 of the SFC Estates Baseline Exercise has now been completed with all colleges in Scotland participating in a desktop condition survey exercise to establish the condition of college estates throughout Scotland.

The purpose of the exercise is to enable the SFC to prioritise where funding should be allocated for future estates investment.

As part of College’s Estates Visioning Project, a decision was taken by the Executive to commission a full condition survey which was carried by Building Surveyors Doig and Smith. This has provided the college with robust and meaningful condition data and costs to bring every building across the college estate up to condition B for building fabric internally and externally and also for our mechanical and electrical infrastructure. The estimated costs to bring the College estate up to a condition B is £60m.

The tables below provides context to the different condition ratings and the recorded condition rating for each of the college buildings-

Condition Rating	Rating Description
A	New expected to perform adequately to full normal life
B	Sound operationally safe exhibits only minor deterioration
C	Operational but major repair or replacement needed within 3 Yrs
D	Serious risk of imminent breakdown

Campus Building	Condition A	Condition B	Condition C	Condition D
Isla Building - AC			C	
Esk Building - AC			C	
Clova Building - AC			C	
ALE Building		B		
CALC Building		B		
Nursery		B		
Main Tower - KC			C/D	
Catering Block - KC		B		
Engineering Block - KC			C/D	
Construction Block - KC			C/D	
Science Annexe - KC		B		
Horti & Motor Vehicle - KC			C	
Dance Studio 4 - KC			C	
Space Building - KC		B		
Main Building - GC		B		
North Annexe - GC			C	
PE Block - GC			C	

The C/D ratings for some of the Kingsway buildings is due to the presence of RAAC

The information and data from the full condition survey has enabled the college to submit accurate information for Stage 1 of the SFC Baselining Exercise.

Stage 2 will commence early 2025 and will commence with colleges developing their Estates Strategy using a template designed to ensure a consistent approach across the FE sector in Scotland.

I will keep the Committee informed of future developments.

6. Green Gown Award Success

Delighted to advise that one of our sustainability champions – Christine Calder – won the Staff Sustainability Champion Award at the UK and Ireland Universities and Colleges Green Gown Awards.

Christine has been key contributor to the College's Climate Emergency Action Plan in particular around Learning and Teaching. She has done incredible work with a range of academic teams to embed sustainability, the climate emergency and the United Nation Sustainable Development Goals (SDGs) into the curriculum – a key objective of our action plan. She was also a driving force behind the college achieving Hedgehog Friendly Campus status.

The Green Gown Judges commented - *Christine is an inspirational leader within the field of environmental sustainability, extending positive influence far and wide. Within the*

award application, Christine highlights an initially straightforward idea with immense impact and limitless potential for growth. Overall, embedment of environmental sustainability and the UNSDGs into the curriculum is inspiring.

Christine with her award and Green Gown –



7. Link to Strategic Risk Register

Progressing these Estates projects and initiatives will support the mitigation of a range of risks identified within the Strategic Risk Register namely;

- 3.1 – failure to reach aspirational standards in learning, teaching and service delivery
- 3.2 – failure to achieve/maintain compliance arrangements
- 3.3 – serious accident, incident or civil/criminal breach, legal action

Author: Billy Grace, Head of Estates
Executive Sponsor: Steve Taylor, Vice Principal



FINANCE & PROPERTY COMMITTEE

Tuesday 3 December 2024

PROCUREMENT

21.1- ANNUAL PROCUREMENT REPORT	PAPER S
21.2- PROCUREMENT UPDATE	PAPER T
21.3- PROCUREMENT STRATEGY	PAPER U
21.4- PROCUREMENT AUTHORITY THRESHOLDS	PAPER V

BOARD OF MANAGEMENT
Finance and Property Committee
Tuesday 3 December 2024



**Financial Governance – Annual Procurement
Report 2023/24**

Paper for noting

1. Introduction

The Dundee and Angus College Annual Procurement Report for 2023/24 provides a comprehensive overview of the College's procurement activities, achievements and compliance with regulatory requirements. This report is produced annually by the APUC Team.

2. Recommendation

Finance and Property Committee is asked to note the attached Annual Procurement Report covering August 2023 to July 2024 (Appendix A).

3. Executive Summary

Total procurement spend was £13.5m in 2023/24 (11.2m 2022/23) with £7.2m spent with Small and Medium Enterprises (SMEs) (£4.8m 2022/23).

Procurement delivered cash savings of £225k in 2023/24 a notable improvement on the 2022/23 savings of £78k. Non-cash savings of £795k were achieved in 2023/24 (£709k 2022/23).

The attached report provides more detail on regulated procurements, regulated spend and procurement performance.

4. Conclusion

Our financial governance framework sets out what we must do to ensure the College finances are managed effectively. The Procurement Reform (Scotland) Act 2014 requires that Colleges have and implement a Procurement Strategy.

5. Link to Strategic Risk Register

Approving the Procurement Strategy (Appendix A) support the mitigation of our financial risk identified within the Strategic Risk Register namely;

2.2 – failure to achieve institutional sustainability

Author: Nicky Anderson, Director of Finance
Amanda Walsh, Procurement Manager

Executive Sponsor: Steve Taylor, Vice Principal Support Services and Operations

BOARD OF MANAGEMENT

Finance & Property Committee

Quarter 1 – August 2024 to October 2024



Procurement Update

Paper for both noting and approval.

1. Introduction

The information included in this paper outlines the scheduled and recurring contracts and renewals, aligning with the delegated budget authority thresholds for approval as specified in the College's Financial Regulations. Coverage extends to 31st October 2024. In all cases, Planned Procurement Activity remains dependent on appropriate budget allocation as part of the annual budget approval process.

Section A - Contract Awards and Extensions (For Noting)

This section provides details on contracts anticipated to surpass £100k excluding VAT that were awarded between 1st August 2024 and 31st October 2024.

Section B – Non-Competitive Actions (Approval and/or Retrospective Approval)

This section outlines requests exceeding £25K excluding VAT for Approval and retrospective Approval of Non-Competitive Actions (NCA's).

Section C – Planned Contracting (Requiring Approval)

This section includes contracts where cumulative expenditure over the contract term is expected to exceed £100k excluding VAT. It encompasses call-off contracts under Framework Agreements from other authorities, such as APUC, Scottish Procurement, and Crown Commercial Services. This section may include contracts exceeding £500K therefore may require additional approval from the Board of Management.

It's important to note that this section exclusively features new contracts not previously included in the September report.

Section D – Other Procurement Activities (For Noting)

This section provides details on broader procurement activities for attention or consideration.

Please note that all values mentioned exclude VAT unless otherwise stated.

2. Recommendation

Members are asked to:

- i) note the recently awarded contracts (Section A)
- ii) approve retrospective Non-Competitive Actions (Section B)

- iii) approve anticipated procurements not already included in the Annual Planned Procurement Report submitted to the Finance & Property Committee in September 2023 (Section C)
- iv) note other activity (Section D)

Author: Amanda Walsh, Procurement Manager
Nicky Anderson, Director of Finance

Executive Sponsor: Steve Taylor, Vice Principal - Support Services & Operations

Section A - Contract Awards and Extensions

For Noting:

Contract name	Supply and Maintenance of MFDs
Route to Market	Extension
Successful Bidders	Xerox UK Ltd
Contract Value	£130,000
Owner	Director of Infrastructure
Award Date	
Start Date	1 st January 2025
Contract Period	12 Months

Section B – Non-Competitive Actions

Requiring Approval:

None during this period

Section C – Planned Contracting

Requiring Approval:

None during this period

Section D – Other Procurement Activities

For Noting:

1. Procurement Strategy

The Procurement Strategy has been submitted for authorisation and is elsewhere on this agenda. This strategy is designed to align purchasing activities with the College’s mission, goals, and values, while focusing on maximising efficiency, minimising risk, and delivering value for money.

This updated strategy will serve as a foundational framework to guide and shape our procurement processes moving forward, ensuring that they are not only compliant and effective but also strategically aligned with the College’s long-term objectives. By

adopting this strategy, the College will be able to streamline procurement activities, enhance sustainability, and drive continuous value across all areas of the institution.

2. Annual Procurement Report

The Annual Procurement Report has been submitted for authorisation and appears elsewhere on this agenda. This comprehensive report reviews the College's procurement activities over the past year (financial year 2023/24), providing a detailed summary of the types and values of contracts awarded. It evaluates the alignment of these activities with the established procurement strategy and assesses regulatory compliance throughout the process.

The report highlights key performance metrics, including cost savings and efficiency improvements, and the College's contributions to sustainability and social responsibility. Furthermore, it offers valuable insights into future procurement plans and strategic objectives, ensuring a forward-looking approach to enhancing the College's procurement practices.

BOARD OF MANAGEMENT
Finance and Property Committee
Tuesday 3 December 2024



Financial Governance – Procurement Strategy

Paper for decision

1. Introduction

Our Procurement strategy is reviewed annually to ensure the on-going alignment of our procurement activities with the broader priorities of the College.

This strategy provides the governance framework within which procurement activity can develop and support the Colleges Strategic objectives and outcomes. It is a legal requirement for the College to have a Procurement Strategy and this is part of a nationwide framework for sustainable public procurement with the aim of fostering economic growth in Scotland through enhancing our procurement practice.

2. Recommendation

Finance and Property Committee is asked to approve the Draft Procurement Strategy (Appendix A) with effect from 3 December 2024.

3. Conclusion

Our financial governance framework sets out what we must do to ensure the College finances are managed effectively. The Procurement Reform (Scotland) Act 2014 requires that Colleges have and implement a Procurement Strategy.

4. Link to Strategic Risk Register

Approving the Procurement Strategy (Appendix A) support the mitigation of our financial risk identified within the Strategic Risk Register namely;

2.2 – failure to achieve institutional sustainability

Author: Nicky Anderson, Director of Finance
Amanda Walsh, Procurement Manager

Executive Sponsor: Steve Taylor, Vice Principal Support Services and Operations



Procurement Strategy

Version Number	FINST01
Approved by	Finance and Property Committee
Original Issue date	29/11/2021
Current Issue date	05/12/2023 DRAFT 03/12/2024
Date of next review	30/11/2024 03/12/2025

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Executive Summary

The Dundee & Angus College Procurement Strategy aligned with the College's strategic aims and objectives, collaborative initiatives and regulatory compliance requirements.

This strategy results from extensive consultation and engagement with diverse stakeholder groups affected by the College's approach to procurement. This process was led by the College's Procurement Manager, in collaboration with APUC and the College's Director of Finance. By engaging in this consultation, the procurement strategy has undergone both internal and external scrutiny enhancing understanding and increased the likelihood of achieving its objectives.

A shared strategic focus is key to success. This focus is built upon an alignment of perceptions and understanding around what Dundee & Angus College requires from a high-performing procurement process that aligns with its strategic aims and objectives. Additionally, the strategy considers the environments in which Dundee & Angus College operates, ensuring that external drivers and opportunities for improvement are addressed appropriately.

Formation & Context

The Strategy has been informed by the Scottish Procurement's Statutory Guidance under the [Procurement Reform \(Scotland\) Act 2014](#) and aligned to the following:

- Dundee and Angus College's Strategic Plan
- [Public Procurement Strategy for Scotland](#)

Additional support has been provided by Advanced Procurement for Universities and Colleges (APUC), the procurement centre of expertise for all of Scotland's colleges and universities.

The strategy was approved by Dundee & Angus College's Finance and Property Committee and will be subject to an annual review process to ensure compliance with legislation and alignment with the College's evolving priorities.

For a concise summary of the applications of the Procurement Reform Act 2014 and the Public Contracts (Scotland) Regulations 2016, along with the key strategic and operational requirements outlined therein, please refer to Annex A at the end of this document.

A key objective of this strategy is to foster a culture of collaboration, encouraging teamwork and cross-departmental cooperation throughout the procurement process. This approach enhances the planning and management of all expenditure within the legislative framework. By prioritising effective supplier engagement and management, the College aims to achieve optimum commercial outcomes.

This Procurement Strategy provides the overarching framework to guide the College's procurement activities, ensuring they align with its strategic objectives, principles and goals.

Procurement Mission Statement

Integrate responsible procurement practices throughout our business operations and our strategic collaborations to achieve success.

Our procurement mission is to strategically source and procure high quality goods, services, and works. Through effective collaboration, we ensure quality, cost-efficiency, and timely delivery, while prioritising sustainability and carbon reduction.

Procurement Policy

Our procurement policy and procedures establish a clear and structured framework for managing procurement activities. The policy and associated procedures ensure that the procurement of all goods, services, and works are procured competitively while upholding the principles of non-discrimination, transparency, and procedural fairness. Fully compliant with the Sustainable Procurement Duty and other relevant statutory requirements, these policies underscore the College's commitment to accountability and demonstrate effective governance over its budgets.

In summary, our policy aims to:

- Ensure that our procedures adhere to the highest standards of public accountability;
- Align our practices with the Scottish Government's Procurement Journey;
- Comply with our obligations under the Public Contracts (Scotland) Regulations 2015, The Procurement Reform (Scotland) Act 2014 and the Procurement (Scotland) Regulations 2016; and
- Promote equality, diversity and sustainability in all procurement activities.

Strategic Procurement Objectives

Our strategic procurement objectives form the core of our Procurement Strategy. These objectives align with the Sustainable Procurement Duty, ensuring the College procure goods, services and works in a way that is:

- Good for business and employees
- Good for society
- Good for places and communities
- Open and connected.

Our objectives are underpinned by the National Performance Framework, which provides a common purpose and value for all of Scotland. Through this framework we commit to *“treat all our people with kindness, dignity and compassion, respect the rule of law, and act in an open and transparent way”*

Each objective is carefully aligned with the College’s Strategic Plan and the Public Procurement Strategy for Scotland.

Good for Businesses and their Employees

Procurement plays a vital role in foster a green, inclusive, and wellbeing economy while promoting innovation.

- Stakeholders
 - Simplify Procurement processes to improve accessibility, with a particular emphasis on local suppliers and SMEs.
 - Promote early engagement with stakeholders to encourage innovation and ensure optimal value for our College.
 - Collaborate with external organisations to deliver positive, green and inclusive social impacts.
 - Provide professional procurement training to staff, embedding procurement and contract management skills throughout the College.
- Supply Chain and Resilience
 - Support the development of a sustainable supply base to meet the College’s needs effectively.
 - Build meaningful relationships and implement strategic plans to strengthen supply markets, improving supply security and mitigate risks.
- SMEs, Third Sector, and Supported Businesses
 - Structure procurements and contracts, to reduce barriers, enabling participation for SMEs, third-sector organisations, and supported Businesses.
- Contract Management
 - Apply proportional contract management to ensure desired outcomes are delivered and contract efficiency is maximised.
 - Develop robust business intelligence to monitor and enhance procurement processes and enable effective resource planning.

Good for Places and Communities

The College is committed to enhancing the influence of procurement through strong community engagement, driving positive social, economic and environmental outcomes.

- Community Wealth Building – Fair Work First and Community Benefits
 - Promote economic and social benefits by embedding fair work practices and community benefits into procurement activities.
- Supporting a sustainable environment
 - Maximise opportunities through procurement to develop, enhance, and maintain a sustainable environment.

- Create contracts that prioritise economic impact and sustainability across various industries.
- At the early stages of procurement and commissioning, consider issues such as Fair Work First, Net Zero, and other relevant sustainability considerations.
- Whole Life Costing
 - Promote sustainable procurement by routinely incorporating whole life costing, ensuring value for money, minimising environmental impact and maximising socio-economic benefits.
- Community Participation
 - Engage with communities to identify local needs and priorities, shaping procurement policies, initiatives, and contracts accordingly.
 - Develop and sustain partnerships within publicly funded entities, professional bodies, and supply markets to gain value insights, drive innovation, and implement improvements that deliver value to the clients of our procurement services.
- Climate Crisis and Environment
 - Actively address the climate crisis by engaging early with suppliers to promote collaboration and develop innovative, impactful solutions.
 - Minimise waste across our supply chains and within our College.
 - Pursue Net Zero emissions through a commitment to a Just Transition and promote the principles of a circular economy.

Good for Society

- Economic Wellbeing
 - Make informed decisions that maximise best value and establish practices and contracts supporting our college and its stakeholders.
- Emergency Situations
 - Procurement has played a critical role in responding to past emergencies and humanitarian crises. Looking forward, our aim is to deliver innovation, effective and efficient responses to future emergency situations.
- Food Security
 - Prioritise high standards of animal welfare, sustainable production and waste reductions throughout the procurement process.

Open and Connected

- Global Reach
 - Continuously engage with industry peers, experts, and other relevant networks to foster the development of best practices. It is through the connections, we can learn, share insights and continuously enhance our procurement practices.
- Connectivity
 - Facilitate seamless interactions between the College and its suppliers, ensuring effortless and efficient business engagement.
 - Leverage opportunities to enhance data, management information, and systems by adopting automation and emerging technologies.
- Consistency
 - Promote and encourage the adoption of sector-wide tools, platforms, systems, processes, guidance and templates to ensure a unified approach.

Ensuring compliance with General Duties and Specific Measures of the Procurement Reform (Scotland) Act 2014

To demonstrate compliance with the Procurement Reform (Scotland) Act 2014, the following statements have been included. These statements serve as evidence of how the College intend to meet the requirements of the Act.

- **Contribute to the carrying out of its functions and the achievement of its purposes and deliver Value for Money**

The College is committed to ensure that its procurement activities contribute effectively to its operations, achieve its objectives, and deliver value for money. To support this commitment:

An annual analysis of non-pay expenditure will be conducted to identify both regulated and non-regulated procurement, categorised into recognised commodity categories.

All identified regulated expenditure will be included within the procurement work plan.

Annual departmental reports will be produced to assess the effectiveness of procurements activities, in consultation with key stakeholders and contract managers.

For all goods, services and works, the College will:

- Fully explore them thorough client consultations
- Develop agreed strategies, that identify all available routes to market
- Perform risk assessment and set objectives for improved contract performance
- Highlight opportunities for sustainability
- Make recommendations to achieve the best commercial position while aligning with the objectives of the relevant department and College as a whole.

Where appropriate, the College will implement proportionate Supplier and Contract Management practices to monitor performance and drive further improvement in regulated procurement contract outcomes.

- **Treat relevant economic operators equally and without discrimination**

The College will conduct all its regulated procurements in accordance with the principles outlined in the Public Contracts (Scotland) Regulations 2015, including equal treatment, non-discrimination, transparency, proportionality, and mutual recognition.

To uphold this commitment, all regulated procurements will be openly advertised on accessible platforms such as Public Contracts Scotland (PCS) and Public Contracts Scotland-Tender (PCS-T). Additionally, the College will strive to enhance accessibility by:

- Using distinct lots where appropriate
- Incorporating clear, output-based specifications
- Apply transparent evaluation criteria

These measure aim to simplify the procurement process and encourage participation from a diverse range of potential bidders.

- **Act in a transparent and proportionate manner**

All regulated procurement will be advertised through appropriate procurement platforms, such as Public Contracts Scotland (PCS). Contracts will be awarded based on a holistic evaluation, considering quality, risk, sustainability, and cost, in accordance with pre-determined scoring weightings tailored to each specific contract.

The College is committed to making it easier for smaller and local businesses to participate in procurement opportunities by:

- Engaging with the market proactively
- Utilising platform such as PCS and Quick Quote
- Providing information on third-party training opportunities to help suppliers build their capacity and to better navigate the public tender process.
- Publishing a contracts register to highlight opportunities that may interest local suppliers; and
- Encourage the use of clear and precise language in specifications.

- **Sustainable Procurement Duty**

The College is committed to sustainable procurement and will ensure that all regulated procurement activities comply with the sustainable procurement duty. Additionally, we will strive to incorporate climate considerations and circular economy principles into our procurement processes.

Our procurement approach aims to meet the College's requirements of acquiring goods, services and, capital works in a way that delivers best value for money. At the same time, it seeks to make significant, sustainable, and socially responsible contribution locally, regionally and globally.

Environmental, social, and economic factors will be considered, where appropriate, on a contract-by-contract basis to identify and deliver tangible benefits through procurement activities.

To support these goals, the college will utilise tools and systems, such as:

- Scottish government Sustainability Procurement Tools
- APUC's Supply Chain Code of Conduct
- Climate Change Actions Plans (FNT2030)
- Scottish Public Bodies Climate Change Duties (PBCCD)
- Electronic Watch

These tools will be applied where proportionate and relevant to the scope of the procurement activity. The College will also align its activities with the Sustainable Development Strategy.

The College will proactively identify appropriate contract areas suitable for engagement with third-sector organisations and supported businesses.

The College remains committed to eradicating modern slavery and human trafficking from its operations and supply chains. To support this commitment, we will produce an annual Modern Slavery and Human Trafficking statement in compliance with the Modern Slavery Act 2015, ensuring continuous monitoring and accountability.

- **Policy on the use of Community Benefits**

The College will consider the inclusion of community benefits in each procurement activity, assessing their proportionality and relevance to the specific procurement. Legislation mandates the inclusion of community benefits with an accumulative value exceeding £4million.

Community Benefits will be encouraged to support the economic, social, and environmental wellbeing of the Tayside Region. These benefits may be delivered through community benefit clauses that align with the College's strategic objectives, fostering investment in initiatives that are both climate-conscious and socially responsible.

- **Consulting and engaging with those affected by its procurements**

The College is committed to following established best practice and engagement principles, including those detailed in the National Standard for Community Engagement. We are also dedicated to ensuring that our procurement staff have, or are provided with opportunities to develop, the necessary communication and engagement skills.

For each procurement, we will evaluate the potential impact on the communities affected by the resulting contract and engage in meaningful consultation with those impacted. This may include assessing the effects on student services or exploring opportunities to align local contracts with the needs of similar institutions.

Our approach to consultation will be tailored to the scale and specific requirements of each procurement, ensuring these practices are fully integrated into the College's procurement processes.

- **The Living Wage**

The College recognises the importance of a well-motivated and dedicated workforce, both internally and amongst our suppliers. As an accredited Living Wage Employer, we are committed to ensuring all our employees are paid a living wage.

In line with relevant legislation, the College will assess whether it is appropriate and proportionate to include a question on fair work practices prior to conducting a regulated procurement. This evaluation aims to achieve an optimal balance between contract quality, cost and, alignment with Scottish Government's Fair Work First Policy, including the application of the Scottish living Wage.

- **Promoting Compliance with the Health and Safety at Work Act 1974**

The College is committed to engaging only with suppliers who comply with all relevant legislation, particularly Health and Safety at Work Act 1974, as well as the College's own internal procedures.

For each specific contract, the College will assess the applicable legislation and take appropriate measures to ensure that bidders adhere to these legal requirements and the College's internal processes.

- **The Procurement of fairly and ethically traded goods and services**

The College is committed to sourcing goods that align with the principles of fair and ethical trade. Where appropriate, we will actively incorporate relevant standards and certifications into our procurement processes. Additionally, we will consider equivalent offerings from suppliers who can demonstrate their ability to meet the specified criteria, even if they cannot demonstrate formal certification.

By adhering to these principles, our goal is not only to procure goods that reflect our ethical values but also promote and advocate fair and ethical trade practices throughout our supply chain. In doing so, we contribute to fostering a more just and sustainable marketplace.

- **Policy on regulated procurement involving the provision of food**

The College is committed to implementing practical strategies for providing nourishing, fresh, seasonal, and sustainably sourced food that offers value for money while enhancing the health, wellbeing, and education of our teaching and learning communities. This commitment also promotes the highest standards of animal welfare.

We strive to incorporating best practices and guidance, such as “Catering for change – Buying food sustainably in the public sector”.

Our goal is to deliver food that supports not only overall health and academic success but that also aligns with ethical and sustainable practices. This includes a strong focus on animal welfare within our food supply chain. By doing so, we aim to nourish both minds and bodies while fostering a culture of sustainability, health, and ethical responsibility.

- **Payment Terms**

The College recognises the importance of paying suppliers promptly once a service has been performed or goods delivered, acknowledging that late payments can be particularly detrimental to SMEs, third sector organisations, and supported businesses.

The College will comply with the Late Payment legislation and will assess, on a contract-by-contract basis, whether these obligations should be enforced and monitored further down its supply chain.

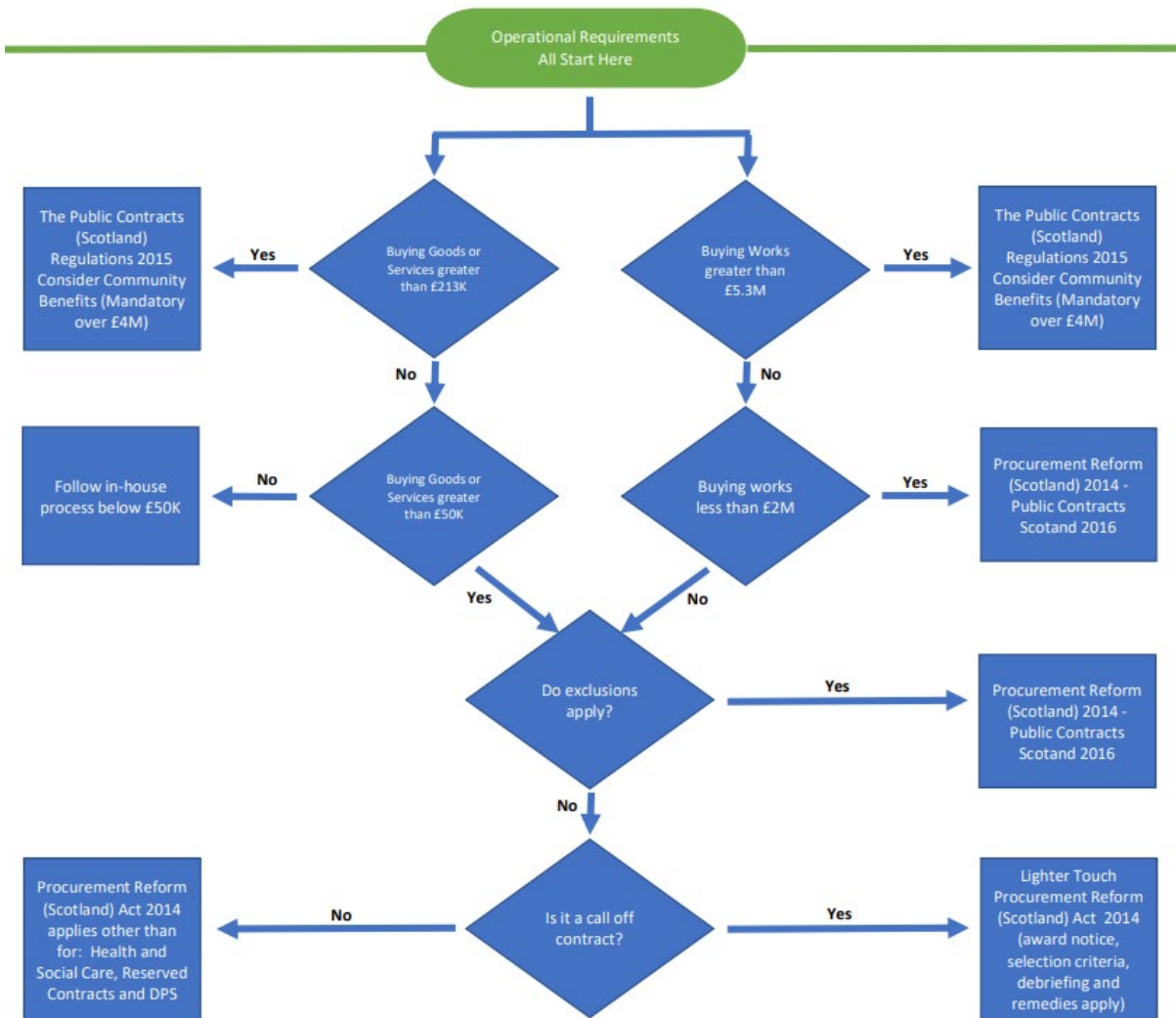
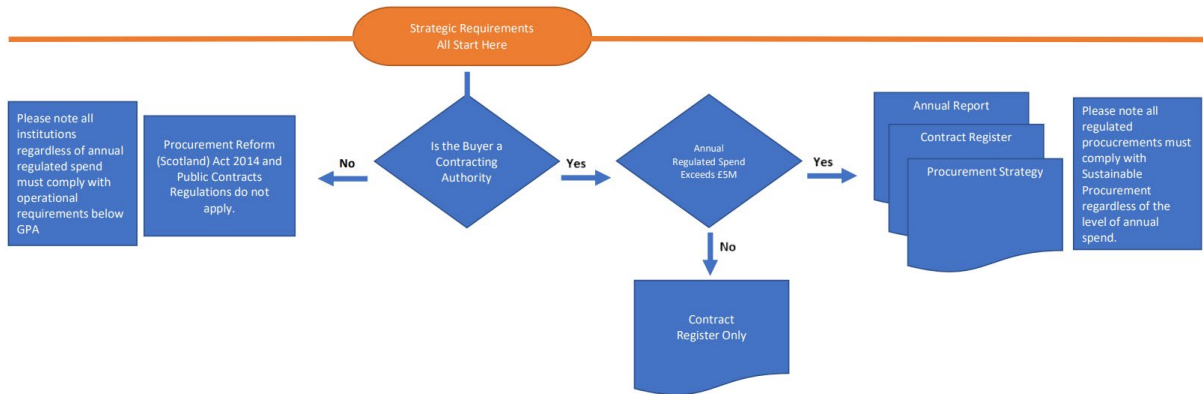
Annual Procurement Report

The College will produce a report on progress against these objectives annually and publish this on the College’s website. This report will be prepared as soon as practicable after the end of the financial year and will outline how the College has fulfilled its obligations under the Procurement Reform (Scotland) Act 2014. It will also highlight how the College has applied discretion and judgement as permitted by the public procurement regulations, to achieve strategic objectives whilst remaining compliant with the Act.

In line with section 18 of the Act, the Annual Procurement Report will include:

- A summary of regulated procurements completed during the reporting year,
- A review of whether these procurements aligned with the College’s procurement strategy,
- For Instances of non-compliance, an explanation how the College intends to ensure future compliance,
- A summary of community benefit requirements fulfilled through regulated procurement during the reporting year,
- A summary of efforts to involve of supported businesses in regulated procurements during the reporting year,
- A summary of the regulated procurements anticipated to commence in the next two years, and
- Any additional information specified by Scottish Ministers.

Annex A.



BOARD OF MANAGEMENT
Finance and Property Committee
Tuesday 3 December 2024



Financial Governance – Procurement
Thresholds

Paper for decision

1. Introduction

Our auditors reviewed Procurement and Creditors as part of the 2023/24 Internal Audit Plan. The overall conclusion on the audit was Requires Improvement. This means that the system has weaknesses that could prevent it achieving control objectives.

The auditors recommended that we review our existing procurement arrangements. The audit recommendation is detailed in the table below.

Priority Action Grade	Report Grade	Recommended Action
2	Requires improvement	R4(i) The College should conduct a review of existing procurement arrangements, to ensure that external procurement support is structured in a way which will effectively contribute to the delivery of value for money and minimisation of risk at the College. This should involve a specific focus on the future role and responsibility of the TRPT given the existing resource constraints.

We have reviewed existing procurement arrangements with APUC and we have agreed to increase the procurement shared service from 1.2 FTE to 1.8 FTE (additional annual cost £42k). Our procurement support is now in place and working from Kingsway Campus on Monday, Tuesday and Wednesday each week.

As part of the review, we agreed to prioritise APUC's focus on procurements at and above the £50,000 regulated procurement threshold. Our next step is to review the remaining procurement thresholds and evidence requirements to ensure they remain fit for purpose, so the SLT is asked to approve this change within this report.

2. Procurement Thresholds

The current procurement thresholds are set out below for information.

All thresholds exclude VAT. Contract value is the total amount of expenditure likely to be spent during the entire life of any contract. E.g. if the contract is a cost of £5k over three years the contract value is £15,000. Where we are unsure how long a contract is required for four years (48 months) should be used.

Table 1: Current Procurement Thresholds

Contract Value (over contract period (or 4 years))	Procurement Route	Budget Approval	Contractual Approval	Comments
Less than £3,000	Single quotation, using existing P2P supplier.	Budget holder	Budget holder	
£3,000 to £4,999	3 written quotes (by email), requested and held by budget holder for audit purposes	Relevant Member of Senior Leadership Team (SLT)	Head of Finance	Authority to proceed with fewer than 3 quotes required from HOF
£5,000 to £24,999	4 quotes requested through PCS portal – to be published by Procurement Department	Relevant Vice Principal	Vice Principal Corporate Services	Authority to proceed with fewer than 4 quotes required from VP (CS)
£25,000 to £50,000	Contact Procurement Department for assistance with competitive tender	Senior Leadership Team	Vice Principal Corporate Services	
Above £50,000	Contact Procurement Department for assistance with competitive tender	Refer to Financial Regulations		Refer to Financial Regulations

Revised suggested thresholds are set out below. All thresholds exclude VAT. Contract value is the total amount of expenditure likely to be spent during the entire life of any contract. E.g. if the contract is a cost of £5k over three years the contract value is £15,000. Where we are unsure how long a contract is required for four years (48 months) should be used.

Table 2: Revised Suggested Procurement Thresholds

Contract Value (over contract period (or 4 years))	Procurement Route	Budget Approval	Contractual Approval	Comments
Up to £5,000	Single quotation, email retained by Budget Holder	Matches individual Budget Holder approval expenditure limit	Matches individual Budget Holder approval expenditure limit	Once procurement training is rolled out to staff, we will require staff to use an existing P2P supplier.
Over £5,000 up to £49,999	3 email quotes retained by	Matches individual Budget	Matches individual	Once procurement training is rolled

	Procurement Team	Holder approval expenditure limit	Budget Holder approval expenditure limit	out to staff, we will require staff to use Public Contracts Scotland to obtain quotes.
£50,000 and above	Must contact procurement who will support a regulated procurement	Matches individual Budget Holder approval expenditure limit	Matches individual Budget Holder approval expenditure limit	

Non-competitive Action

Our Financial Regulations set out the authorisation levels for awarding contract without competition (non-competitive action). These must be approved in advance as follows:

Non-competitive Action Value	Authority
£25,000	Vice Principal
£25,001 to £100,000	Finance and Property Committee and Scottish Funding Council
>£100,000	Board and Scottish Funding Council

We propose no change to the non-competitive action approval limits.

Our Procurement Authorisation Process and Procurement Policy have been updated in readiness to allow prompt communication to staff and allow monitoring of compliance to begin. APUC will deliver updated procurement training to staff during March 2025.

3. Recommendation

Finance and Property Committee is asked to agree the revised procurement thresholds set out in section 2, table 2 of this report. Members are asked to note there is no change to the Non-competitive action approval thresholds.

4. Conclusion

Our financial governance framework sets out what we must do to ensure the College finances are managed effectively. Our Financial Regulations require Procurement procedures to be followed by all staff.

5. Link to Strategic Risk Register

Consideration of the options suggested in this report will support the mitigation of our financial risk identified within the Strategic Risk Register namely;

2.2 – failure to achieve institutional sustainability

Author: Nicky Anderson, Director of Finance

Executive Sponsor: Steve Taylor, Vice Principal Support Services and Operations



FINANCE & PROPERTY COMMITTEE

Tuesday 3 December 2024

STRATEGIC RISK REGISTER

PAPER W

BOARD OF MANAGEMENT

Finance and Property Committee

Tuesday 3 December 2024



Strategic Risk Register Update

Paper for approval

1. Allocation of Risks to Board Committees

Following discussion at the Audit and Risk Committee in May 2019, the Board of Management agreed at its meeting in September 2019 that key strategic risks be allocated to each Board Committee for regular review and consideration.

The Strategic Risk Register now highlights the allocation of risk areas across the range of Board Committees.

In identifying these delegated risks, it has been agreed that each Committee consider (and amend/update as appropriate) the key risk areas within their responsibility as a standing item at each future meeting.

Proposed changes arising from this consideration will be brought back to the next appropriate meeting of the Audit & Risk Committee for final approval.

In making these changes, it is important to reinforce that the overall responsibility for risk management will remain with the Board of Management, with delegated authority for the implementation and review of this to the Audit & Risk Committee. The further allocation of areas of risk oversight to Board Committees is intended to improve the awareness, oversight and consideration of risk, rather than amend the terms of the Board of Management scheme of delegation.

2. Consideration of Risks to Board Committees

In making these changes, each Committee has also been asked to consider how it is informed around the areas of key risk and assure itself that the regular reporting and information, updates and opportunities for scrutiny within the operation of the Committee are reasonable and sufficient in respect of this.

3. Review of Risks Allocated to the Committee within the Strategic Risk Register

The draft November 2024 Strategic Risk Register is enclosed with no changes proposed for the risks allocated to the Finance & Property Committee.

4. Approvals

In respect of the above information approval is sought on the Strategic Risk Register as it relates to the operation of the Committee.

Author and Executive Sponsor: Steve Taylor, Vice Principal Support Services and Operations



STRATEGIC RISK REGISTER

2023 - 2024

As at November 2024

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	DirSE	Director of Student Experience	2	Minor	Unlikely
	VPSO	Vice Principal Support & Operations	DirFin	Director of Finance	3	Significant	Possible
	VPCP	Vice Principal Curriculum & Partnerships	HoE	Head of Estates	4	Major	Probable
	DirInf	Director of Infrastructure	Chair	Chair of the Board of Management	5	Critical	Very Likely

Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS			TREATMENT	POST MITIGATION EVALUATION					
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
1	Strategic and Structural									

1.1 LT&Q	Failure of College strategy to meet the needs of the D&A Region and/or national priorities (eg Employability, DYW, attainment, articulation)	4	4	16	<ul style="list-style-type: none"> Robust strategic 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	3	12 ↔	<ul style="list-style-type: none"> Review of changes and amendment of strategic direction/plans Financial strategy sensitivities 	Principal & Chair

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

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	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
1	Strategic and Structural									

1.3 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, VPCP
1.4 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

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	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood		Score	
1	Strategic and Structural									
1.5 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 	VPSO, DirInf, HoE

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

2.1 F&P	Change in Funding Body and/or Funding Methodology and Allocation – Reduction or restriction in Funding	3	4	12	<ul style="list-style-type: none"> Negotiation/influence at national level Contingency plans for amended funding levels or requirements 	3	3	9 ↔	<ul style="list-style-type: none"> Advance modelling of new funding requirements, methodologies, and allocations Monitoring impact of changes Amendment of strategic or operational direction / plans Financial strategy sensitivities 	VPSO
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 and SG Input to create sector ‘flexibilities’ 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 Effective use of sector ‘flexibilities’ to support sustainability Amendment of strategic priorities and timing to align with funding levels Review and amendment of activity and budget planning to address over/under performance against activity (credit) target Detailed monitoring of savings programmes Detailed monitoring & management of CDEL/RDEL risks 	VPSO

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Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS			TREATMENT	POST MITIGATION EVALUATION					
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
2	Financial (cont)									

2.3 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 	VPSO
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 	VPSO
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 & VPSO
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 	VPSO

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Post Holders	ELT	Prin	Prin	Score	Impact	Likelihood
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	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
3	People and Performance									

3.1 LT&Q	Failure to reach aspirational standards in learning, teaching, and service delivery	4	3	12	<ul style="list-style-type: none"> Clear quality arrangements and priority actions Continuous self-evaluation and action planning Rigorous CPD arrangements in place Regular classroom observation and learner feedback arrangements 	3	2	6 ↔	<ul style="list-style-type: none"> Comprehensive monitoring of key PIs and student/staff feedback Regular Stop and Review events External review and validation findings 	VPCP, VPSO, 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 	VPCP, VPSO
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, VPSO, HoE

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Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS			TREATMENT	POST MITIGATION EVALUATION					
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
3	People and Performance (cont.)									

3.4 HR&D	Failure to meet the aspirational standards in respect of the health, safety, wellbeing and development of staff and students	3	4	12	<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 	VPSO
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	3	12 ↔	<ul style="list-style-type: none"> Stakeholder engagement Social media monitoring arrangements 	VPCP, 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 	VPSO, VPC&A

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	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
3	People and Performance (cont.)									

3.7 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 	VPSO
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 	VPCP, DirInf
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 	VPCP, VPSO

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	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Lead Responsibility
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 	VPCP, VPSO
3.11 Board	Failure to plan or respond adequately to future pandemic illness.	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
3.12 HR&D	Failure to attract, engage, retain or develop appropriately qualified staff.	4	3	12	<ul style="list-style-type: none"> Clear People Strategy and Workforce Planning in place Positive Union relations and staff communication Effective management development & CPD programmes Positive recruitment approaches and monitoring 	4	1	4 ↔	<ul style="list-style-type: none"> Absence & turnover monitoring Exit interviews Regular staff surveys 7 survey responding Monitoring and responding to staff concerns, union issues and employee relations concerns 	VPSO

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	SLT	Senior Leadership Team	DirC&A	Directors of Curriculum & Attainment	1	Routine	Remote
	Board	Board of Management	DirSE	Director of Student Experience	2	Minor	Unlikely
	VPSO	Vice Principal Support & Operations	DirFin	Director of Finance	3	Significant	Possible
	VPCP	Vice Principal Curriculum & Partnerships	HoE	Head of Estates	4	Major	Probable
	DirInf	Director of Infrastructure	Chair	Chair of the Board of Management	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	Major Disasters – eg Fire, MIS Failure, Failure of Emergency Procedures, RAAC or similar infrastructure failure	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, VPSO, DirInf
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 	VPSO, DirInf
4.3 A&R	Significant breach of ICT/Cyber security resulting in loss of service sufficient to impact College student / staff outcomes	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 	VPSO, DirInf
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 	VPSO, DirInf

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	DirSE	Director of Student Experience	2	Minor	Unlikely
	VPSO	Vice Principal Support & Operations	DirFin	Director of Finance	3	Significant	Possible
	VPCP	Vice Principal Curriculum & Partnerships	HoE	Head of Estates	4	Major	Probable
	DirInf	Director of Infrastructure	Chair	Chair of the Board of Management	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									

4.5	Lack of investment in ageing / beyond serviceable life infrastructure (inc RAAC, Asbestos and M&E failure concerns) impacts on financial sustainability and/or delivery of learning and/or services	4	4	16	<ul style="list-style-type: none"> Creation of long-term infrastructure principles and vision Multi-year estates strategy and capital planning Lobbying of SG and SFC on capital and backlog maintenance funding Identification of alternative funding routes Planning for D&A Foundation bids 	3	4	12 ↔	<ul style="list-style-type: none"> Lobbying of SG and SFC on campus vision and needs Prioritization of capital plans and expenditures Regular review of capital plans/timescales relative to funds 	Principal VPSO
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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

FINANCE & PROPERTY COMMITTEE

Tuesday 3 December 2024



SUPPORT SERVICES REPORT

PAPER X

BOARD OF MANAGEMENT
Finance & Property Committee
Tuesday 3 December 2024



Support Services Report

Paper for information

1. Introduction

This report brings to the Committee's attention matters, which are not covered by other agenda items.

2. Recommendation

Members are asked to note the contents of this paper.

3. Scottish Funding Council and Horizon Scanning Update

The SFC announced the following in respect of financial and funding requirements since 25 August 2024.

Publication	Topic	Allocation £000
SFC/CP/03/2024	College Infrastructure Strategy Delivery Plan Update The College Infrastructure (CIS) Delivery Plan was published in December 2023 and outlined an ambitious programme to deliver an Infrastructure Investment Plan (IIP) for the college sector, This update focuses on three infrastructure themes, physical, digital and net zero.	
SFC/GD/21/2024	Education Maintenance Allowance Guidance 2024/25 Guidance on the Education Maintenance Allowance (EMA) programme for colleges in Academic Year 2024/25	Admin costs & Allowance
SFC/GD/22/2024	Accounts Direction for Scotland's Colleges 2023/24 To provide SFC's 2023/24 accounts direction for Scotland's Colleges	
SFC/AN/14/2024	Report on the Consultation on changes to the College Performance Indicators This document confirms plans for changes to our College Performance Indicators publication following public consultation	
SFC/GD/18/2024	Education Maintenance Allowance (EMA) Audit Guidance 2023/24 Guidance to colleges on the audit requirements for the operation of the EMA programme for the period 1 August 2023 to 31 July 2024	
SFC/GD/19/2024	FES Return and Audit Guidance 2023/24 Guidance to colleges on the completion of their student activity data for the Academic Year (AY) 2023/24 (FES Return) and audit guidance for that year.	

SFC/GD/20/2024	Student Support Funding Audit Guidance 2023/24 Guidance describing SFC's audit arrangements for student support funds for Academic Year (AY) 2023/24	
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Audit Scotland have released their report on [Scotland's Colleges 2024](#). The report highlights that Scottish Government funding for colleges reduced by £32.7m in cash terms in 2024/25 and funding has reduced by 17% in real terms since 2021/22. Cash balances held by colleges are forecast to fall.

Colleges have used voluntary severance schemes to reduce their costs, with nearly 500 staff leaving colleges in 2022/23. Staffing makes up around 70 per cent of colleges' costs and the sector expects further cuts in coming years.

The financial challenges and staffing reduction means colleges may not be able to offer the same learning experience to students as in the past. Meanwhile, the lack of reform of the post-school sector is causing continuing uncertainty for colleges.

4. Supporting our Learners

As noted to LT&Q Committee, full-time recruitment has stabilised at 4390 students which is on a par with last year's intake. Efficiencies made in 2023-24 in relation to the number of courses, streams and class sizes have also been retained in 2024/25 which will impact positively on the college finances. The introduction of the new REMS applications and student records system has presented some challenges in the production of credit reports however the recruitment and retention figures indicate that there are no concerns about achieving the activity target for 2024/25.

Applications are now open for the January 2025 range of courses across all 3 campuses. Selection appointments will continue until the Christmas break, with inductions scheduled for week commencing 13 January. This year, a mini- freshers event for our January start students will be held to welcome them to the college community.

Applications for our 2025/26 full-time intake opened last week. introducing new programmes in our Construction, Animal Care, Science and Computing departments. Sessions with Skills Development Scotland and school guidance staff have been scheduled to assist applicants, and our APT staff have numerous school visits planned. School staff are also coming into college to view our facilities and experience college life firsthand.

As reported to the Audit & Risk committee, positive audits were achieved for student activity and student funding, with a small number of recommendations to progress.

Arrangements are currently being progressed as part of the in-year student funding review. This return to SFC asks the college to estimate the level of student funds to be expended over the year and to identify any over or underspend anticipated by the end of the AY. In recent years the College has not sought any additional in-year funding, but for 2024/5 it is likely that a small additional input (c£150k) will be requested. These funds will help the College to fully support cost of living payments to our students without incurring any risk of over commitment of funds.

Respect Week Success

19 Community Partners

- Angus Resettlement Team
- Angus Tourism
- Black History
- Climate
- Divided International Women's Centre
- First Forward Gambling Education
- Graduator Shelli McCoy
- Henna
- Hilcrest Futures Drugs & Alcohol
- Homecare PEP training model
- NHS Health Promotion
- NHS Sexual Health
- Royal Highland Education Trust
- Student Services LGBT+
- Tayside Police
- The Corner Youth Service
- Ukrainians Together
- Unicorn Menstrual Cup
- Voluntary Action Angus

47 Sessions over the 3 campuses

500 Students engaging in Respect activity

22 Curriculum teams embracing opportunities for learners

- HNC Textiles
- Gateway classes
- Cert Social Care
- Cert Child & Social Care
- Lifskills
- HNC Social Care
- HNC Healthcare
- NC Childcare
- HNC Childhood Practice
- ESOL
- Social Science
- Travel & Tourism
- Police Studies
- Agriculture
- Landbased & Horticulture
- IT Biscuity
- HASC and Nursing
- HNC Cyber Security
- Senior Phase Beauty
- Barbers
- Sport
- Supported Education

1 New Respect portal hub housing loads of information to support learning and learners!

For more Respect activity & opportunities, keep an eye on the Learner & Community Engagement Team

5. Service Design Academy

2024/25 Open Short Courses

2024/25 online open courses including 2 Professional Development Award cohorts are forecast with 168 learners and an income of £206,700. The strategy of increasing the number of open courses with multiple dates available to book is proving to be an effective approach rather than customising courses for smaller groups. We continue to offer a learning pathway from awareness to practitioner level for our courses which is aligned with the [Scottish Government Digital, Data and Technology Capability framework](#). We are advertised as an official learning partner of the Scottish Digital Academy. We are offering all our open courses online to ensure accessibility across the UK and beyond.

August – November 2024 performance:

Five open courses were delivered from August – October with an income of £75,255, running on track to projected activity. A third version of Service Design for Data Professionals was funded by Tay Cities Digital Skills Fund/Data Lab was delivered in September. 20 places sold out with minimal marketing, indicates that there is a strong appetite for introductory service design training. This course has received repeat funding for a course to run on February 2025.

A new 2-day course, Introduction to Tools and Methods exceeded the target of 12 places with income of £12,565. This course received very positive feedback from a pioneer cohort from Greater Manchester Combined Authority. This has led to a proposal and Discovery meeting in November to plan a training programme to embed service design practice across the Authority.

Filling places for PDA January cohort is proving to be challenging, and new platforms for promoting the course including large external events are being taken to engage with a wider pool of decision makers. The value of the PDA course is recognised, but enquiries are slow to convert because of a lack of internal and external funding opportunities. The Tay Cities SME skills fund is not a good fit for the PDA. However the Angus Shared Prosperity Fund has potential, with meetings and proposals with Angus based levy payers facilitated by the Business Partnership team.

2024/25 Customised projects August – December

- Perth and Kinross Council Senior Leadership Team ½ day in person workshop delivered on 14th November to support Transformation programme goals.
- Zero Waste Scotland City and Regions team 2-day workshops designing for strategy
- Zero Waste Scotland designing new systems for one-to-many business support 2-day programme
- Glasgow Centre for Civic Innovation citizen design one day in person workshop
- Dumfries and Galloway Council have commissioned two projects in December '24 and February '25
- Decarbonise Your Fleet - a 12-hour problem definition and planning course funded by Dundee City Council through the UK Shared Prosperity Fund has been developed to support businesses to move to greener transport. With the promotion and support from the Business Partnership Team, **Tayside Contracts** and **NHS Tayside** have signed up for this programme in late November '24 and January '25.

2024/25 Business Development

Service Design Academy sponsored the [Society of Personnel Development Scotland](#) in November to engage with senior Human Resources Managers from Scottish Local Government. It was encouraging that there was a high level of awareness of Service Design Academy from conversations from delegates, with many positive connections and enquiries from senior decision makers to follow up. The content of the event was also inspiring for informing the direction of our education programmes. How to take a person-centred approach was a key theme in many talks from industry experts.

The Service Design Academy is sponsoring and exhibiting at [DigitalScotland 2024](#) on the 26th November in Edinburgh. This is the largest public sector digital and tech event for over 1,200 senior decision makers. SDA educator Kim Anderson is speaking on a panel with other experts from Scottish Government, Sopra Steria and Edinburgh Napier University about citizen services. Special collateral has been developed to link to a dedicated webpage to track engagement and conversion to a special offer for short courses.

Website development continues with updating visual and word content. A content café has been established for all team members to contribute to content creation for website blogs and sharing on social media.

Our latest blog about [Scottish Social Services Council](#) is a strong demonstration of the positive impact that a strategic learning partnership with a project management team has had to support organisational transformation. We are using this story for our PDA campaign with it amplified across the DigitalScotland/FutureScot network.

2024/25 pipeline

- South Ayrshire Health and Social Care learning Partnership
- Greater Manchester Combined Authority learning partnership proposal
- Salford Council
- University of Glasgow
- Thriving Communities Stirling Framework bid

Mature stage pipeline total: £100,000

Sparking Solutions - a 12-hour course in person course has been developed in partnership with the Business Development Team to support SME's to tackle business problems using design. This will be funded by Tay Cities and Dundee SME funds individual applications.

Engagement continues to be predominantly with UK public sector organisations with repeat business from learning partners Zero Waste Scotland and Dumfries and Galloway. There is huge scope to develop this market, but we need marketing support/expertise to broaden our reach in public sector and to the private sector and international markets

Finance

Invoices for all courses are not showing on our management accounts. The income figures provided are based on book and pay and corporate invoices.

There is risk to income because of a general slow commitment to book training from our **customised** customer pipeline

	Prior Year	Year to Date Cumulative	Full Year	
	Actual £	Actual £	Budget £	Forecast £
Income	407,073	113,655*	495,700	
Pay Costs	414,668	31,986	392,140	392,140***
Total non-pay costs	16,379	4,013	42,722	
Contribution/ (net cost)	-23,974	77,656**	60,838	

*These figures are not currently showing in management accounts and reflect all open courses and customised work to be completed and invoiced by the end of December 2024.

** All invoices in 2023/24 will relate to delivery to be completed by the end of the academic year, with current contribution not reflective of year-end performance.

*** Pay costs are not confirmed with long-term absence

Team 5.4 consultants FTE

The team continues to have high sickness absence in Q1 24/25, which has impact on business development opportunity and pressure on delivery schedules. The Transforming Higher Education Event, which offered profile raising opportunities for SDA to bring education and service design partners together has been postponed due to sickness absence.

Two secondees (1FTE) have started work already with positive impact on a digital transformation project with Thorntons LLP. This unique partnership arrangement supported by Oxford Brookes University/ UKRI will support building our service design talent pipeline, not only of value to Thorntons, D&A College but to the wider industry.

Business Strategy Refresh

The past 18 months have presented challenges that require the team to evolve ways of working, training delivery and promotion of our offering. With the support of our new Business Partnership Manager Ann Marie Macaskill, the team will collaborate to fully review and refresh our business plan. Our evolution process will start with a purpose and strategy focussed Insights programme delivered by Learning and Teaching Skills team. The Business Manager has secured professional mentoring and peer support from the [Help to Grow programme delivered by University of Dundee](#).

6. Gardyne Theatre

We have 128 shows booked for 2024/25 (AY). We are working to attract further bookings during the year. In comparison, we had 104 shows in 2023/24 AY and 107 shows in 2022/23 AY.

Further information in respect of GTL is included separately on the agenda.

7. Business Partnerships

SME Skills (D&A delivery Income)

We are now in quarter 3 of year 2 of operational delivery and the fund has been live for 6 months.

In that time we have committed £365,132 worth of training to the business community. We have approved application for 77 businesses, scheduling 318 courses for 2250 candidates.

We are well ahead of targets on signups and the project is being very well received at management board level with the offer of enhancing the amount of allocation.

The forecast drawdown for quarter 3 (end Dec) for D&A is £64,274

Additional Income Opportunities

We have now contractually secured:

- **UKSPF – Dundee City Council - £100,000 – Decarbonisation of transport.**

We officially launched our decarbonisation of transport fund. This money is to support businesses in Dundee to prepare for the switch to electric vehicles.

- **UKSPF Dundee City Council - £150,000 SME Upskilling**

This bid has now been approved and successfully launched.

The grant will be split into:

F/T Skills Advisor	£35,000
30 x £5000 Grant Funds	£115,000

Within each £5,000 allocation we will have a min 30% mark-up meaning a minimum of £79,500,000 will come directly to Dundee and Angus College with the remainder paying for the lecturer or associate trainer time.

- **UKSPF Angus Council - £300,000 Business Upskilling**

This bid has now been approved and launched in September 2024.

The financial breakdown is as follows:

£35,000 admin, management and financial
£265,000 training fund

This will support:

11 organisations with 250+ members of staff = £165,000
20 organisations with less than 250 members of staff = £100,000

8. Bad Debt

Our financial regulations require Finance and Property Committee to approve and individual irrecoverable debts exceeding £3,000.

No individual bad debts over £3,000 were written off during the period 29 August to 1 November 2024.

9. Link to Strategic Risk Register

Consideration of the topics included in this Corporate Services Report will support the mitigation of a range of risks identified within the Strategic Risk Register namely;

2.2 – failure to achieve institutional sustainability

3.2 – failure to achieve/maintain compliance arrangements

Authors:

Leann Crichton, Director of Student Experience

Maralyn Boyle, Business Manager SDA

Ann Marie Macaskill, Business Partnership Manager

Nicky Anderson, Director of Finance

Executive Sponsor: Steve Taylor, Vice Principal Support Services and Operations

FINANCE & PROPERTY COMMITTEE

Tuesday 3 December 2024



DATE OF NEXT MEETING:

**TUESDAY 25 FEBRUARY 2025, K-TO-624, 5:00PM,
KINGSWAY CAMPUS.**