

BOARD OF MANAGEMENT

Audit and Risk Committee



Tuesday 3 June 2025 at 5.00pm **Room K-TO-624,**
Kingsway Campus (MS Teams option available)

AGENDA

1. **WELCOME**
2. **APOLOGIES**
3. **DECLARATIONS OF CONNECTION & INTEREST**
4. **MINUTE OF THE PREVIOUS MEETING** – 4 March 2025 Paper A for approval
5. **MATTERS ARISING** Paper B for noting
6. **INTERNAL AUDIT**
 - 6.1. Payroll Paper C for approval HL
 - 6.2. Internal Audit Progress Report Paper D for information HL
 - 6.3. Procurement & Creditors Audit Progress Paper E for information NA
 - 6.4. Follow Up Summary Paper F for information NA/ST
7. **AUDIT**
 - 7.1. 2023-2024 Audit Lessons & Improvement Plan Paper G for information ST
 - 7.2. Audit Plan Paper H for approval MS
8. **FINANCIAL GOVERNANCE REFLECTION/UPDATE** Paper I for information ST/NA
9. **STRATEGIC RISK REGISTER**
 - (i) Risk Register Update Paper J for approval ST
 - (ii) Strategic Risk Register
10. **INTERNAL AUDIT PROCUREMENT** Paper K for approval HH/NA
(item to be taken without auditors present) (paper to follow)
11. **DATE OF NEXT MEETING** – Tuesday 16 September 2025 at 5.00pm in Room K-TO-624, Kingsway Campus

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 3 June 2025



MINUTE OF THE PREVIOUS MEETING

PAPER A

BOARD OF MANAGEMENT

Audit and Risk Committee Tuesday 4 March 2025 at 5.00pm in Room K-TO-624 Kingsway Campus and via Microsoft Teams



Minute of the Audit & Risk Committee meeting held on Tuesday 4 March 2025 at 5.00pm in Room K-TO-624 Kingsway Campus and via Microsoft Teams.

PRESENT:

Helen Honeyman (Chair Audit)	Derek Smith
Margo Williamson	Kelly McIntosh
Ged Bell	Richard Gordon
Laurie O'Donnell (for independent session)	Brian Lawrie (for independent session)

IN ATTENDANCE:

David Archibald (Henderson Loggie)	Michael Speight (Forvis Mazars)
Andy Ross (Director of Infrastructure)	
Steven Taylor (Vice Principal Support and Organisation)	
Nicky Anderson (Director of Finance)	
Penny Muir (Board Administrator)	
David Robertson (HEFISTIS)	

1. MEETING WITH AUDITORS & COMMITTEE MEMBERS WITH BOARD AND F&P COMMITTEE CHAIRS

An independent meeting was held with the College auditors and Audit and Risk Committee members with the Board Chair and Chair of the Finance and Property Committee also in attendance.

L O'Donnell and B Lawrie left the meeting after this item.

2. WELCOME

H Honeyman welcomed everyone to the Audit & Risk Committee meeting and extended a warm welcome to Kelly McIntosh and Richard Gordon on their attendance at their first Audit & Risk Committee meeting.

3. APOLOGIES

Apologies were noted from Matthew Beattie and Jackie Buchanan.

4. DECLARATIONS OF CONNECTION & INTEREST

David Archibald noted his interest in terms of Henderson Loggie in respect of the procurement of audit services. This was noted

5. MINUTE OF THE PREVIOUS MEETING

The minute of the Audit & Risk Committee meeting held on 3 December 2024 was approved as an accurate record.

6. MATTERS ARISING

The procurement of internal audit services was noted as an item for the June meeting. All other matters arising are now closed.

7. HEFISTIS CYBER RISK & MATURITY REPORT

D Robertson provided a report on the progress of cyber security assurance work, aligning it with the new PCRS framework. The transition is now complete, with a focus on policies, procedures, and evidence across the college, aligning this with Scottish Government expectations, though potential political changes may impact future requirements.

D Robertson highlighted the updated guidance and a baseline compliance of 50% required in Tier 1 and Tier 2. It was noted that a scorecard system would be introduced to improve clarity. The first Tier 1 scorecard indicated high compliance, with scores generally of 90% and above. Categories A and B were assessed at the highest compliance level, while service resilience and supplier management were rated C, requiring ongoing monitoring.

Feedback on HR policies, systems, and governance showed strong implementation across the college. In Tier 2, supplier and media management required further attention, with estates feedback scheduled for that quarter. D Robertson highlighted some signoffs and implementations were still in progress.

D Robertson highlighted that the combined scorecard reflected a very robust security position across standard and advanced security controls. Organisational security was well-established, ensuring a quick recovery in the event of cyber incidents. Incident prevention and management remained key priorities, with each section providing narrative explanations for the scores.

Recommendations indicate that while digital transformation is nearing completion, some areas require further development. Strong maturity levels and effective controls are in place, with a recommendation to finalise ongoing work before progressing to the next stage. Key areas of focus include supplier management, service resilience, and media management, with additional efforts needed to monitor student device security. D Robertson stated the planned work for the year includes supporting teams in these areas and assisting with necessary exercises.

Two future considerations were noted. Firstly, D Robertson highlighted that AI is not currently included in standard public security reporting, and further work on AI strategies for third-party suppliers will be provided for consideration. Secondly, potential adjustments to scoring methodologies may be necessary due to high compliance levels, with powerful metrics underpinning future assessments.

The college's maturity posture is strong, and its risk level remains low. D Robertson discussed the maintenance of continuous cyber security should be documented and shared for audit purposes; however, the risk-based approach is of the highest standard, with local updates required for documentation, but no concerns raised for the board.

G Bell commended the integration of cyber security across the organisation, noting that supplier management remains a key focus for vigilance.

R Gordon emphasised the importance of cultural change in adopting a security-first approach across all functions of the college.

M Williamson praised the report, recognising the rapid advancements in cyber threat and the substantial efforts involved.

H Honeyman highlighted the college's strong position in cyber awareness, acknowledging challenges in staying ahead of evolving cyber threats, particularly with AI. Appreciation was expressed for the ongoing efforts of all of those involved.

D Robertson reported that the college remains at the forefront of cyber security, ranking among the top institutions in Scotland. He emphasised the need to continuously adapt to new threats to maintain this position.

H Honeyman expressed appreciation for the outstanding report and extended thanks to the team for their success and ongoing efforts.

The report was noted.

8. EXTERNAL AUDIT

8.1. Forvis Mazars Annual Audit Report

Discussions took place on the audit report and actions within the independent meeting with the auditors prior to the Audit and Risk meeting commencing. From this discussion the following points were noted for progression by **S Taylor and N Anderson**.

- Thanks to be passed to N Anderson and the team for their work in finalising the accounts in challenging circumstances.
- Consideration to be given to short-term support for the team to get the capital accounting records and approach revised in time for the 2024/25 audit. It was noted that Henderson Loggie have offered support on this.
- Create a lessons learned/improvement plan based on the points identified and wash up meeting with Forvis Mazars so that arrangements for the 2024/25 audit are clearer.
- Consider inclusion or amendment of a risk for the Strategic Risk Register around capital accounting and any future delay in accounts finalisation.

8.2. Financial Statements for the year ended 31 July 2024

Discussions took place on the audit report and actions within the independent meeting with the auditors prior to the Audit and Risk meeting commencing.

From this discussion the annual accounts were noted for approval through the arrangements agreed at the Board of Management meeting on 13 December 2024.

9. INTERNAL AUDIT

9.1. Staff Development

D Archibald presented a positive report, with a focus on CPD and the workforce planning element. The workforce plan was in place, and progress had been made on refreshing this for 2025. Key elements were not expected to change dramatically, but the mechanism to identify skills gaps and training needs was deemed crucial.

D Archibald stated that this included academic staff, particularly those without teaching qualifications, and that a broader training programme had been developed. Ongoing discussions and support mechanisms for both academic and non-academic staff were in place.

In terms of succession planning, an exercise had been conducted to identify business-critical personnel, both within and outside the college, with particular skills that would be missed if absent. This aimed to build resilience and prevent a loss of knowledge or operational capacity.

Three areas of work were identified as being in progress: the workforce plan, the communications project which focused on digital delivery and learning, and the integration of technology. A baseline of expertise for all staff was being established, with a completion target of August 2026.

The final area of focus was on building upon the existing ITrent system to hold training records.

There were no significant control issues, and no recommendations were made at this stage.

G Bell asked about the three actions and how the Committee should be assured that these actions had been followed up. D Archibald explained that the points noted were not recommendations but were presented for information and that he wanted to avoid recording actions that simply noted 'continue to do what you are doing.'

S Taylor noted that there could be points noted in an audit that were not of sufficient significance to merit a recommendation or action and that this should act as reassurance that arrangements in place were sound. S Taylor provided an update on the progress of the workforce plan, stating that an updated draft had gone to the HRDC committee and was on the agenda for the SLT meeting on Thursday. The plan would be closed out after this conversation.

Regarding the ITrent module, progress was being made, though it had not yet been purchased.

S Taylor highlighted that the communications project was underway, with A Mawhirt leading this effort, and that this wider work would be reported back to the HR committee. A new digital strategy was also being progressed, with this noted as an action in the proposed 2030 College strategy.

M Williamson expressed satisfaction with the report, praising the focus on performance and professional development. She found the development initiatives reported via the Learning, Teaching and Quality Committee to be excellent and reassuring.

K McIntosh raised the point of staff being more trauma-informed, particularly curriculum staff, given the presence of young people in the college and noted the focus around this at LT&Q discussions. S Taylor noted that this was included within the workforce plan and clarified that the terminology would be around the "changing learner" rather than trauma informed.

H Honeyman commended the efforts to upskill staff where needed, highlighting the positive report.

9.2. Audit Progress Report

D Archibald noted the progress made against the audit plan and highlighted a delay in the Payroll Audit at the request of the College. All other reviews were on track.

H Honeyman thanked D Archibald for the update.

9.3. Procurement & Creditors Audit Progress

N Andeson summarised the report noting that 7 of the 9 audit recommendations had been progressed, with the remaining two on target.

D Archibald discussed the need for managers to be fully aware of the procurement processes they are responsible for and clarified that training is intended to help individuals understand their roles and the systems in place to support them.

H Honeyman reinforced the idea that continual reinforcement of these processes is essential to ensure consistent understanding and compliance across the team.

The report was noted.

9.4. Follow Up Summary

S Taylor provided the usual summary of the audit recommendations, highlighting the progress made. He expressed satisfaction with the developments, noting that the majority of recommendations had been progressed and completed on target.

H Honeyman acknowledged the positive progress and commended the efforts of all teams involved, recognising that achieving this level of implementation and progress is not an easy task. She extended a huge thank you to all teams for their continued work in moving recommendations and actions forward.

H Honeyman thanked S Taylor for the report.

10. RISK MANAGEMENT POLICY

S Taylor discussed the risk appetite training for Board members and explained that the main output from this focused on aligning the risk appetite with the board's objectives and identifying any necessary changes. Planned changes include updates to the risk management policy, which involves reorganising risk levels and creating a minor risk category. While the change is straightforward, significant work was done in the lead-up to this point.

D Archibald acknowledged that some colleges have struggled to implement the changes, noting that while the system might appear complicated it was good to see this incorporated into College arrangements. D Archibald highlighted the importance of ongoing discussions about risk.

H Honeyman expressed agreement, noting that the changes made sense and that she felt comfortable with the new approach.

M Williamson raised a concern regarding the number of risks, questioning whether 28 risks were a lot to include and manage at a strategic level. In response, D Archibald explained that the risk appetite is scored based on risk categories rather than each individual risk and that whilst 28 risks may seem like a lot, some organisations have even more. The key, he noted, is having the right discussions around the actual risks, rather than the document or mechanism.

Following some further discussion the changes were approved for implementation. **S Taylor to progress.**

11. STRATEGIC RISK REGISTER

S Taylor highlighted the changes in relation to implementation of the guidance around scoring. It was noted that this was approved at a previous meeting, and the focus is now on reviewing the scoring for individual risks.

He stated the process has proven to be useful, with the main impact being a reduction in the overall scoring of a number of risks as marked on the register. This change does not reflect a shift in the actual risks themselves but rather resulted from clearer guidance on how each score was determined.

S Taylor emphasised the Board will continue to focus on the ongoing financial sustainability, especially given that 80% of the budget is spent on staff, and the impact of this is a persistent concern.

S Taylor highlighted that the RAAC risk remains unchanged but was stressed as an important ongoing issue.

A review of the risk register showed an increase in risks related to estates infrastructure. Specifically, there is a £78 million backlog in maintenance across campuses, with ongoing concerns about the M&E infrastructure (particularly in the Clova building and the Kingsway campus). Given the increasing risks and costs, it was recommended that these two risks be escalated.

H Honeyman thanked S Taylor for the update and following discussion the changes were approved.

12. GARDYNE THEATRE ISSUE

The paper was for information only and was discussed.

13. DATE OF NEXT MEETING

Tuesday 3 June 2025 at 5.00pm in K-TO-624.

Action Point Summary

Action	Responsibility	Date
Progress actions arising from Annual Audit Report:		
• Consideration to be given to short-term support for the team to get the capital accounting records, and approach revised in time for the 2024/25 audit. It was noted that Henderson Loggie have offered support on this.	N Anderson	3 June 2025
• Create a lessons learned/improvement plan based on the points identified and wash up meeting with Forvis Mazars so that arrangements for the 2024/25 audit are clearer.	N Anderson	3 June 2025
• Consider inclusion or amendment of a risk for the Strategic Risk Register around capital accounting and any future delay in accounts finalisation.	S Taylor	3 June 2025
Finalise updates to Risk Management Policy	S Taylor	31 March 2025

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 3 June 2025



MATTERS ARISING

PAPER B

BOARD OF MANAGEMENT
Audit & Risk Committee
Tuesday 3 June 2025



Matters Arising

Paper B for information

The following actions were noted from the Tuesday 4 Mach 2025 Audit & Risk Committee meeting.

Agenda Item No	Action	Current status	Open / Closed
8.1	Consideration to be given to short-term support for the team to get the capital accounting records, and approach revised in time for the 2024/25 audit. It was noted that Henderson Loggie have offered support on this.	Arrangements agreed and in place	Closed
8.1	Create a lessons learned/improvement plan based on the points identified and wash up meeting with Forvis Mazars so that arrangements for the 2024/25 audit are clearer.	Included on agenda	Closed
8.1	Consider inclusion or amendment of a risk for the Strategic Risk Register around capital accounting and any future delay in accounts finalisation.	Included on agenda	Closed
10.0	Finalise updates to Risk Management Policy	Completed	Closed

The following actions were noted from the Tuesday 3 December 2024 Audit & Risk Committee meeting.

Agenda Item No	Action	Current status	Open / Closed
9.0	Internal Audit Services Procurement to progress S Taylor/ N Anderson	Included on agenda	Closed

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

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 3 June 2025



INTERNAL AUDIT

6.1 – PAYROLL

PAPER C

Dundee & Angus College

Payroll

Internal Audit report No: 2025/03

Draft issued: 16 May 2025

Final issued: 26 May 2025



Contents

	Page
Section 1	
Management Summary	
• Overall Level of Assurance	1
• Risk Assessment	1
• Background	1
• Scop, Objectives and Overall Findings	2
• Audit Approach	2
• Summary of Main Findings	3
• Acknowledgements	3
Section 2	
Main Findings	4 - 13

Level of Assurance

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

Gradings are defined as follows:

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

Action Grades

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



Management Summary

Overall Level of Assurance

Good	System meets control objectives.
-------------	----------------------------------

Risk Assessment

This review focused on the controls in place to mitigate the following risk on the Dundee & Angus College ('the College') Strategic Risk Register as at March 2025:

- Risk 2.4 – Financial Fraud (Residual Risk Score: 4, Moderate).

Background

As part of the Internal Audit programme at the College for 2024/25 we carried out a review of the systems in place for Payroll. The Audit Needs Assessment identified this as an area where risk can arise and where Internal Audit can assist in providing assurances that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

The College's payroll processes are completed by the Payroll Team, which is overseen by the Director of Finance and which consists of:

- Payroll Accounting Officer (1.0 FTE); and
- Payroll Assistant (0.8 FTE).

The People Team is responsible for managing information on new starters, changes in employment, and leavers. The People Team passes any relevant records to the Payroll Team on a weekly basis.

The College uses iTrent, a fully integrated human resources (HR) and payroll system, for the management of employee information and processing of payroll. Access to iTrent is segregated, with the People Team staff only able to access and amend HR records, and the Payroll Team staff only able to amend information relating to the payroll.

iTrent offers a self-service functionality which allows employees to access their payslips, directly update some of their personal data, and submit timesheets and expenses. All such submissions are authorised by the employee's line manager and checked by the Payroll Team prior to being included within the payroll.

The College processes a single monthly payroll, with employees being paid on the last Thursday of every month, if possible.

Scope, Objectives and Overall Findings

This audit considered the key internal controls in place over the College's spend on staff costs of approximately £35m per annum. Our audit covered the procedures in place within both the People Team and the Payroll Team.

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

Objective		Findings		
The objective of our audit was to obtain reasonable assurance that systems are sufficient to ensure:		1	2	3
		No. of Agreed Actions		
1. Correct calculation of gross pay and deductions.	Good	0	0	0
2. Correct calculation of employer national insurance and superannuation contributions.	Good	0	0	0
3. Part-time staff, overtime and travel & subsistence payments are properly authorised.	Good	0	0	0
4. Approval and checking of changes to employee standing data.	Good	0	0	0
5. Starters and leavers are properly treated and enter and leave the system at the correct dates.	Good	0	0	0
6. Proper authorisation, processing and recording of payments.	Good	0	0	0
Overall Level of Assurance	Good	0	0	0
		System meets control objectives.		

Audit Approach

Through discussion with the People Team and Payroll staff, and review of procedures documentation, we identified the key internal controls in place within the College's HR / payroll system and compared these with expected controls.

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

Summary of Main Findings

Strengths

- The College utilises a fully integrated HR and payroll system – iTrent.
- The College has developed robust payroll procedures, primarily demonstrated within its Financial Regulations and the 'Payroll Work Process & Instructions' master document.
- A payroll calendar is in place and available to all staff via the intranet.
- Our testing identified no significant issues regarding the calculation of employee gross pay and deductions.
- Staff members can submit claims for additional hours worked, as well as travel and subsistence, via iTrent's employee self-service functionality.
- There are appropriate processes in place for the submission, approval, and checking of timesheets and travel and subsistence claims.
- Our testing identified no significant issues regarding the authorisation of claims for additional hours worked, as well as travel and subsistence.
- Employees can utilise iTrent's self-service functionality to change some of their personal details. However, changes to bank details are appropriately checked and verified as genuine by the College's Payroll Team before being processed.
- The College has established suitable processes in connection to pre-employment checks.
- The People Team has strong procedures regarding recruitment, selection, and onboarding of new starters, as well as processing of leavers.
- The People Team and the Payroll Team collaborate closely and there is appropriate segregation of duties between them when it comes to processing of starters and leavers.
- System inputs by one member of the People Team are checked by another member of the People Team to ensure that all employee data is accurate.
- The Payroll Team maintains its own monthly checklist to ensure that all payroll-processing actions are completed by the required deadlines.
- The College generates a suite of exception and variance reports in connection to the monthly payroll and these are appropriately examined and authorised.
- Arrangements for review and approval of the monthly payroll are appropriate.

Weaknesses

- We identified some minor administrative errors during our review, which were either isolated occurrences and/or were already addressed by actions taken or planned.

Acknowledgments

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

Main Findings

Objective 1 - Correct calculation of gross pay and deductions.

The College's overall arrangements and controls over staff costs are set out in the Financial Regulations (September 2024).

The College has a fully integrated payroll and human resources (HR) system in place called iTrent, which is used by the Payroll Team and the People Team in the processing of payroll and employee records respectively.

The Payroll Team has developed the 'Payroll Work Process & Instructions' master document, which details how each payroll-related process should be carried out to ensure that all employee pay is correct. The document was last revised in March 2025. We reviewed it and found it to be comprehensive, clear, and accurate to the arrangements utilised in practice. The College also has access to additional guides on using iTrent that were created by the software provider – MHR.

The College has also established a payroll calendar, available to all employees via the staff intranet. The calendar outlines the dates by which any claims must be submitted and authorised to be processed within the upcoming payroll.

Responsibilities for the People Team include staff recruitment and onboarding, pre-employment checks, contractual arrangements, changes to employment, and processing of leavers. Members of the People Team input employee information on iTrent and are only able to make amendments to the HR part of the system. The People Team passes on any relevant records and information to the Payroll Team on at least a weekly basis.

Deductions such as PAYE, National Insurance (NI), and pension contributions are applied automatically by the system based on the underlying banding schedules that are embedded within iTrent, ensuring that they are calculated correctly for all relevant staff. The pension banding schedules themselves are updated by the Payroll Team based on circulars issued by the pension scheme administrators. The PAYE and NI rates are embedded and updated within iTrent by the software provider – MHR.

We tested a sample of 20 employees for the period April 2024 to February 2025 to ensure that their gross pay and deductions had been correctly calculated. For the selected month for each employee, we reviewed their iTrent salary records and performed a re-calculation to compare their salary, any additional pay, and any relevant deductions to the corresponding elements on their payslip and the relevant payroll report. We identified no issues during our testing.

The College automatically enrolls employees on one of two pension schemes. Academic staff are enrolled onto the Scottish Teachers' Superannuation Scheme (STSS), administered by the Scottish Public Pensions Agency (SPPA), while support staff are enrolled on the Local Government Pension Scheme (LGPS). Employee contribution rates vary dependent on the annualised pensionable earnings for both schemes and the contributions are deductible before income tax. For each employee tested, we ensured that the employee pension contribution rates and pension deductions applied were correct for the month examined, dependent on the scheme they were enrolled in and their annualised pensionable pay. We identified no issues during our testing.



Objective 1 - Correct calculation of gross pay and deductions (continued).

From discussion with College staff and review of 'Temp Input Reports', we noted that employees may also pay various statutory and non-statutory deductions, including:

- Credit Union deductions;
- Trade Union payments;
- Childcare vouchers;
- Salary sacrifice scheme contributions;
- Additional Voluntary Contributions (AVCs);
- Earnings arrestment;
- Student loan repayments; and
- Cycle to work scheme payments.

For two staff members tested, deductions were being made for AVCs. No source documentation was available to support these deductions, as it was lost during a cyber-attack on the College in 2020. Both staff members affected were long-standing employees, and as such the risk of deductions being inaccurate was minimal. Any new non-statutory payroll deductions must be supported by appropriate evidence. As a result, we concluded that there were no significant control weaknesses in regard to the process, and we did not raise a corresponding recommendation in our report.

Seven employees within our sample had a small deduction of £1.08 for 'D&A Social'. From discussion with payroll staff, we confirmed that this is a voluntary contribution to social events held for staff. The option to contribute to this has been available to employees for several years. Staff members complete an application form to opt in, however these could not be provided for the sampled staff as they were all long-standing employees, and the opt-in application forms have been lost to the cyber-attack. An example of an application completed by a non-sampled employee was provided to give additional assurance over the process, and to agree to the value of £1.08 per month. As a result, and due to the low value of the deductions, we concluded that the absence of completed application forms did not result in any significant risks to the College.

For all other non-statutory deductions made for employees selected as part of our sample, we verified that an appropriate instruction or other source documentation was in place to support the deductions being made at the rates shown on the employee's payslip.

Objective 2 - Correct calculation of employer national insurance and superannuation contributions.

For each employee tested under Objective 1, we ensured that the employer NI deductions and employer pension contributions were correct for the month examined, dependent on the pension scheme they were enrolled in, and their annualised pensionable earnings. We identified no issues during our testing.

Objective 3 - Part-time staff, overtime and travel & subsistence payments are properly authorised.

Academic Staff

Lecturers taking on additional hours and those who work variable hours submit monthly timesheets via iTrent. For each block of additional hours worked, the timesheets must specify the start and end time, the applicable cost centre, the relevant classes they relate to, and whether they were teaching, non-teaching, or other hours. The system pulls all hours together into weekly, monthly, and departmental breakdowns, and the payment due is automatically calculated based on the staff member's hourly rate, with all payments made a month in arrears. Once the timesheet is submitted, the employee's line manager is automatically notified and can log into iTrent to review the claim before approving it. Finally, the Payroll Team receives a similar notification, sense-check the claim and process it for payment.

All teaching hours worked by part time lecturing staff are enhanced by a factor of 1.25, representing an allocation of additional hours for preparation and marking. This is to ensure that staff are sufficiently compensated for time spent preparing materials for their teaching hours and marking. This provision is detailed in the College's 'Academic Terms and Conditions of Service' and is based on a national agreement with trade unions. Any non-teaching work undertaken is not subject to the 1.25 enhancement.

We tested a sample of 10 payments made to academic staff for lecturing, non-teaching, and leisure hours over the period April 2024 to February 2025. We confirmed that each payment was supported by appropriately authorised timesheets and verified that in all cases it agreed to the reported hours, the applicable hourly rate, and the relevant payslip. We identified no issues during our testing.

Support Staff

Support staff members who work overtime or additional hours, and those who work variable hours, submit 'Time & Expenses' claims via iTrent. The employee must confirm the pay element being claimed, the date and time worked, describe the reason for taking on the hours, and confirm the number of hours being claimed. Once submitted, the employee's line manager is automatically notified and can log into iTrent to review the claim before approving it. Finally, the Payroll Team receives a similar notification, sense-check the claim and process it for payment.

Overtime for staff is paid at various rates, as agreed as part of national bargaining. These rates are as follows:

- Plain Time - paid for up to 35 hours worked in any one week. This covers part time staff whose contractual hours are under 35 hours per week;
- Time and a Half – paid for any hours worked over the standard 35-hour week, with the exception of those hours which are eligible for double time; and
- Double Time – paid for any hours worked on a Sunday or bank holiday.



Objective 3 - Part-time staff, overtime and travel & subsistence payments are properly authorised (continued).

Support Staff (continued)

We tested a sample of 10 payments based on timesheets that were made to support staff over the period April 2024 to February 2025. Our testing covered the following pay elements:

- x5 Basic Pay - for staff members who work variable hours;
- x3 Part Time Additional Hours – for part time staff members who worked extra hours on top of those that they are contracted for;
- x2 Overtime @ 1.5; and
- x1 Overtime @ 2.0.

In each case we reviewed the claim made to ensure that the hours were correctly recorded and classified. We confirmed whether each payment made was supported by appropriately authorised claims and verified that in all cases it agreed to the reported hours, the applicable hourly rate, and the relevant payslip. We identified no significant issues during our testing. However, we noted two instances of minor input errors which were not detected by the employees' line managers or returned for amendment by the Payroll Team. In one instance, an employee mistakenly disclosed overtime hours worked on five separate days as having been worked on the same day (showing 22.50 hours worked in one day). In another instance, an employee incorrectly declared their period of overtime worked as 6pm to 7pm but accurately showed overtime as a total of two hours worked (as they had actually worked 5pm to 7pm). In both instances, we verified that the payments made for actual hours worked were correct. We also confirmed with the Director of Finance that on 8 May 2025 a communication was issued to line managers, via the Leadership Development Forum, to remind them that any claims for additional hours worked must be appropriately reviewed. As a result, we have made no corresponding recommendation within our report.

Expenses

Employees submit travel and subsistence claims via iTrent's self-service functionality. The staff members must detail the purpose and dates of any journeys taken and the costs incurred. For each pay element being requested, the claim must specify the units or miles and the provisional cash amount.

Mileage claims are made in line with HMRC rates. All other claims must be supported by documentation such as receipts or invoices in order to be processed.

Once a travel and subsistence claim is submitted by an employee, their line manager is automatically notified and can log into iTrent to authorise or reject the claim. If rejected, the manager can add detail to explain why and confirm any changes that may need to be made. If accepted, the claim is then forwarded to the Payroll Team who sense-check the expenditure, ensure that any supporting documentation has been provided, and finally approve the claim for payment to be included in the next payroll run.

We tested a sample of 10 expense payments made in the period April 2024 to February 2025. For each sampled payment we reviewed a summary of the submitted travel and subsistence claim to ensure that the payment was correct and agreed to the payslip. We confirmed that each claim was appropriately authorised before the corresponding payment was issued. Finally, we reviewed the supporting documentation for any non-mileage expenses claimed. We identified no issues during our testing.

Objective 4 - Approval and checking of changes to employee standing data.

Employees can utilise the self-service functionality within iTrent to change some of their personal details, such as name or address. However, some changes, such as those to name, also require the staff member to provide appropriate evidence (e.g. a marriage certificate), which the People Team verify prior to the change going live.

For updates to bank details, employees must complete and sign a 'Bank Details Form' which includes both their old and new bank information. They must then send the form to the Payroll Team, who examines it and performs an independent verification that the request received was genuine by calling the staff member via Microsoft Teams and confirming that they have indeed submitted it. The Payroll Team also checks that the old bank details on the 'Bank Details Form' agree to the existing data on iTrent and finally update the information on iTrent to match the employee's new bank details. Following this, the Team sends a confirmation back to the employee that the amendment was processed.

Additionally, the College may receive an AWACS (Advice of Wrong Account for Automated Credits Service) Report when processing payroll payments. This report notifies them of any changes to the BACS payment following its commitment, compared to the details supplied by the College. This includes changes to recipients' bank details, which the Payroll Team then updates on iTrent.

The Payroll Team keeps a record of all amendments made to employee bank details, including the initial request received together with the 'Bank Details Form', and the confirmation e-mail sent back to the employee which notes that a verification was completed via Teams.

We tested a sample of 10 changes made to employee bank details between the period April 2024 to March 2025. We verified that requests for the changes were appropriately reviewed, confirmed as genuine, and processed on iTrent by a member of the Payroll Team in a timely manner, with one exception noted below.

We identified one instance of employee bank details being changed where a record of the verification and a confirmation e-mail sent back to the employee were unavailable. From discussion with the Payroll Accounting Officer, we established that this was caused by the urgency of the request, as the staff member had left the UK for a sabbatical and the College did not have their phone contact details abroad. The Payroll Team obtained assurance that the request for changes to bank details was genuine because the employee had returned a completed 'Bank Details Form' and independently provided them with both their old and their new bank details. We confirmed with the Director of Finance and the Payroll Accounting Officer that this was a one-off instance where the College was unable to follow a different course of action without negatively impacting on the employee. As a result, we have made no recommendation in our report on this point.

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

Starters

The People Team looks after staff recruitment and onboarding, pre-employment checks, and contractual arrangements. Proposals for any new posts within the College's establishment go through an evaluation process coordinated by the HR Manager and must be approved by the Executive Team.

The College uses the TalentLink applicant tracking system in its recruitment process. The contents of the job advert and job description are agreed between the hiring manager and the People Team, and the vacancy is advertised through appropriate channels. Candidates are then shortlisted, and interviews are arranged via TalentLink. Once a successful candidate has been selected, they receive an initial job offer and an e-mail with key documentation attached for completion and return. The College's 'New Starter Pack' is sent out which until recently included a 'New Start Checklist' that tracked whether the candidate has filled out all relevant forms and provided the required information. The 'New Start Checklist' is no longer in use as the People Team found that it resulted in duplication of work since the Team already tracks all key starter information via the 'Payroll Spreadsheet'. Finally, a start date is agreed, and the People Team collates all the information from the returned forms, inputs it on iTrent, and captures it in the 'Payroll Spreadsheet', which it shares with the Payroll Team for further processing on a weekly basis.

The offer of employment is subject to:

- A satisfactory Protecting Vulnerable Groups (PVG) scheme record check; and
- A satisfactory right to work check. For right to work in the UK, the candidate is required to either send a share code (EEA nationals) or come onto the campus and meet a member of the People Team who performs an in-person verification of the candidate's identity. This must be done either before the candidate's start date or on their first day of employment, before any work is carried out. The candidate's documents are also photocopied / scanned and a member of the People Team signs off the copy to confirm it is legitimate. Finally, the College completes a Home Office 'Right to Work Checklist'. The People Team also keeps a spreadsheet which keeps track of when any documents confirming the right to work in the UK expire, and performs follow-up checks when necessary.

All employee data input on iTrent and the 'Payroll Spreadsheet' is checked by another member of the People Team.

We tested a sample of 10 starters for the period between April 2024 and February 2025, and checked that, in each instance:

- A copy of a signed contract was available which detailed the employee's salary or hourly pay, working hours, and other contractual arrangements;
- Documents issued as part of the 'New Starter Pack' were completed by the candidate and returned to the College, and the People Team captured the relevant information on the 'Payroll Spreadsheet';
- A completed HMRC Starter Checklist or equivalent has been received;
- Details shown on each form agreed to the records on the iTrent system; and
- A right to work and other pre-employment checks were carried out.

Objective 5 - Starters and leavers are properly treated and enter and leave the system at the correct dates (continued).

Starters (continued)

We also re-calculated each employee's first pay, compared it to the corresponding payslip, and confirmed that it was calculated correctly in relation to their start date and agreed salary. Three of the staff members tested were supply employees who work variable hours and had not received any pay at the time of this audit.

We identified no issues during our testing.

Leavers

The leaver's notification procedure normally begins with the staff member submitting their resignation to their line manager, who should then forward it promptly to the People Team. The line manager must then complete an 'Employee Leaver Form' which captures the leaver's details, any additional hours still to be paid, any College equipment that needs to be handed back, the reason for leaving, and the arrangements for outstanding annual leave. Upon receipt, the People Team checks if all the required information has been provided, and they use it to process the employee as a leaver on iTrent. For support staff members, iTrent automatically calculates the pay due for any outstanding annual leave depending on their end date, and for academic staff members – the People Team calculate the annual leave due, which is then converted to a monetary value by the Payroll Team.

The People Team inputs any relevant information regarding leavers on the 'Payroll Spreadsheet' and shares it with the Payroll Team on a weekly basis.

In each case, the People Team sends out a letter to the leaver to acknowledge their notice of resignation, retirement, or an upcoming end of a temporary contract, and ask them to complete an Exit Survey.

It is the leaver's line manager that is responsible for ensuring that any College equipment has been returned.

We tested a sample of 10 leavers for the period between April 2024 and February 2025, and checked that, in each instance:

- A letter of resignation or equivalent supporting paperwork was received;
- The leaver's notification procedure operated effectively;
- The 'Employee Leaver Form' was completed by the leaver's line manager and returned to the People Team;
- Calculations covering any outstanding pay and deductions were completed; and
- The termination date shown on leaver's documentation agreed with the date recorded on the iTrent system.

Objective 5 - Starters and leavers are properly treated and enter and leave the system at the correct dates (continued).

Leavers (continued)

We also re-calculated each employee's last pay, compared it to the corresponding payslip, and confirmed that it was calculated correctly in relation to their leaving date and salary, with all pay ceasing on their last day of service. Three of the staff members tested were supply employees who work variable hours and did not receive any pay for extended periods of time prior to their end of employment with the College. One individual tested was a visiting lecturer who was only added to iTrent to be paid on a one-off / ad hoc basis. The People Team was not previously advised to remove them but has now done so as part of a tidy-up process. The College does not issue contracts to visiting lecturers and does not obtain a resignation letter or an 'Employee Leaver Form' for them.

We noted one instance where the resignation letter was submitted by the employee on 14 March 2024 but was only passed on to the People Team on 3 April 2024 by the leaver's line manager, past the staff member's end date of 1 April 2024. It was explained that the leaver's manager had absences around that time and was only working 0.5 FTE with the remaining half being backfilled by another member of staff and there may have been miscommunication between the two. However, as the leaver was a supply employee and was paid in arrears, there was no risk of them being overpaid. We were advised that the HR Manager and Advisors regularly remind managers of the need to ensure that any resignations and employee leaver forms are submitted to the People Team promptly.

We identified no significant issues during our testing.

Objective 6 - Proper authorisation, processing and recording of payments.

Through discussion with the Payroll Accounting Officer, we established the processes in place for the preparation, authorisation, and recording of payroll-related payments.

We confirmed that the Payroll Team maintains its own monthly checklist to ensure that all payroll-processing actions are completed by the required deadlines.

The College runs a single monthly payroll which covers all staff. The Payroll Team prepares the monthly payroll, including all claims and changes submitted by the cut-off date. The Payroll Accounting Officer and the Payroll Assistant cross-check each other's outputs to ensure that they are correct. The Payroll Team also generates various exception and variance reports to monitor, identify, and investigate any significant items and differences to the prior month's payroll. These include the following:

- iTrent Error Warning Report – any items categorised as 'fatal' stop the payroll from being run and must be investigated;
- Element Differences Report – comparing the overall spend on each individual pay element against the previous month, with comments added to explain any significant movements;
- Basic Pay Comparison Report – comparing the basic pay for each staff member against the previous month, with comments added to explain all changes;
- Net Pay Over 3k Report – examining the net pay for each staff member due to be paid more than £3,000, with comments added to justify each instance (such as their senior management role or additional pay);
- Payment Method Analysis Report – confirming whether all staff are being paid by BACS;
- Starters and Leavers Report – detailing all new starters and leavers within the month; and
- Third Party Report – showing all payments to be made to third parties.

Additionally, the Payroll Team reconciles the net pay to the previous period and maintains a year to date (YTD) reconciliation for all pay elements.

Once the monthly payroll and accompanying reports have been prepared and checked, the Payroll Team runs a BACS payment file and forwards everything to the Director of Finance or the Head of Finance for approval, who then either signs off the 'Salary & Third-Party BACS Release Form' or confirms their authorisation via e-mail, after which they commit the BACS file for payment via the PTX payment platform. The College then receives a notification back from PTX which confirms the payment date and amount. The Finance Assistant is included throughout the approval and notification e-mail chain, in order to allow them to reconcile all payroll payments to the College's finance system.

We traced a sample of net pay and third-party payments covering the period April 2024 to February 2025 and ensured that they were processed in line with the procedures outlined above. For each of the months, we confirmed that the Payroll Team prepared, checked, and reconciled the monthly payroll run and corresponding exception and variance reports, generated a matching BACS payment file, and forwarded these to the Director of Finance or the Head of Finance who approved and committed the payroll for payment. Finally, we examined bank statement extracts to confirm that a corresponding payment was made from the College's bank account. We identified no issues during our testing.



Aberdeen: 1 Marischal Square, Broad Street, AB10 1BL
Dundee: The Vision Building, 20 Greenmarket, DD1 4QB
Edinburgh: Level 5, Stamp Office, 10-14 Waterloo Place, EH1 3EG
Glasgow: 100 West George Street, G2 1PP

T: 01224 322 100
T: 01382 200 055
T: 0131 226 0200
T: 0141 471 9870

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



BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 3 June 2025



INTERNAL AUDIT

6.2 – INTERNAL AUDIT PROGRESS REPORT PAPER D

Dundee & Angus College

Internal Audit Progress Report

Audit & Risk Committee – 3 June 2025

Issued: 26 May 2025



Internal Audit Progress Report

June 2025

Progress with the annual plan for 2024/25 is shown below.

Audit Area	Planned reporting date	Report status	Report Number	Overall Conclusion	Audit Committee	Comments
Annual Plan 2024/25	September 2024	Draft: 12/07/24 2 nd Draft: 15/07/24 3 rd Draft: 03/09/24 Final:	2025/01	N/A	17/09/24	
Payroll	March 2025	Draft: 16/05/25 Final: 16/05/25	2025/03	Good	03/06/25	Fieldwork start date was delayed until 25 March 2025, at the request of management.
Budgetary Control	June 2025					It has been agreed with management that the days earmarked for Budgetary Control will be repurposed to deliver the support currently being provided to the Finance team on fixed assets. The Budgetary Control review will be deferred and included in the 2025/26 internal audit programme.
Staff Development	March 2025	Draft: 04/02/25 Final: 07/02/25	2025/02	Good	04/03/25	



Audit Area	Planned reporting date	Report status	Report Number	Overall Conclusion	Audit Committee	Comments
Digital Strategy Implementation	June 2025					The College is in the process of rewriting the digital strategy and therefore it has been agreed with management that the scope will be amended to include a review of the implementation of the previous digital strategy and a review of the new digital strategy, with fieldwork deferred until August 2025.
Credits	December 2025					Agreed start date for fieldwork 18 August 2025.
Bursary, Childcare and Hardship Funds	December 2025					Agreed start date for fieldwork 11 August 2025.
EMA	December 2025					Agreed start date for fieldwork 11 August 2025.
Follow Up Reviews	September 2025					Agreed start date for fieldwork 7 July 2025.

Gradings are defined as follows:

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

Aberdeen: 1 Marischal Square, Broad Street, AB10 1BL
Dundee: The Vision Building, 20 Greenmarket, DD1 4QB
Edinburgh: Level 5, Stamp Office, 10-14 Waterloo Place, EH1 3EG
Glasgow: 100 West George Street, G2 1PP

T: 01224 322 100
T: 01382 200 055
T: 0131 226 0200
T: 0141 471 9870

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



BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 3 June 2025



INTERNAL AUDIT

**6.3 – PROCUREMENT & CREDITORS AUDIT
PROGRESS**

PAPER E

BOARD OF MANAGEMENT



Audit & Risk Committee 3 June 2025

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. Audit and Risk Committee requested an update on actions arising from the Procurement and Creditors Report at its meeting on Tuesday 4 March 2025.

2. Recommendations

Members are asked to note the progress below and in particular that all recommendations due are complete. Recommendation 2 is on track for completion by the deadline of 31 August 2025.

3. Progress to February 2025

The following provides a summary of progress in respect of creditors and procurement audit recommendations up to 26 May 2025.

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 Complete

Progress

The Procurement Policy and Procurement Authorisation Process were approved by Finance and Property Committee on 3 December 2024 and have been issued to staff via the staff portal. This recommendation is 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 expected to be complete by 31 August 2025.

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 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 are still working closely with Estates colleagues to consolidate invoices on a weekly/monthly basis for suppliers with high volume/low value expenditure. 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. Estates compliance has increased from 8% in 2023/24 to 44% in 2024/25.

Since February we have held several meetings with budget holders across the organisation to reiterate the need for raising POs and identify ways finance can support compliance. These meetings are on-going and prioritised to those budget holders with the lowest compliance.

Overall PO compliance was 23% in 2023/24 when comparing number of purchase orders to numbers of invoices. This has increased to 37% in 2024/25. PO compliance compared to the value of invoices is currently 36% and this was 26% in 2023/24.

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 continue to work with other prioritised areas in the College to consolidate purchase order and invoice activity. **(on-going)**
3. We are continuing to monitor PO usage on a monthly basis and we are working with prioritised individual areas to improve Purchase Order usage across the College **(on-going)**

There is always a balance to be struck between the control arrangements in place and the efficient and pragmatic operation of our 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 most transactions still do not have purchase orders.

As this work progresses 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 the introduction of 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 Complete

Progress

APUC developed induction and refresher training and this was delivered on 13 March 2025. A video of the training is available to all budget holders on the Dundee and Angus Portal.

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, e.g. contracts, awarding bodies, audit.

Author: Nicky Anderson, Director of Finance

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

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 3 June 2025



INTERNAL AUDIT

6.4 – FOLLOW UP SUMMARY

PAPER F

BOARD OF MANAGEMENT

Audit & Risk Committee Tuesday 3 June 2025



Audit Recommendations Follow-up Summary

Paper for information

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 27 May 2025.

Audit Area	Rec. priority	Considered, but not agreed	Number agreed	Number fully implemented	Number partially implemented	Behind original implementation date	On target
Procurement & Creditors May 2024	2	-	9	8	-	-	1
2023/24 Student Activity	3	-	3	-	-	-	3
2023/24 Student Support Funds	2	-	1	-	-	-	1
Sports Centre Review	NA	-	7	5	-	-	2#
Payroll	3	-	-	-	-	-	-
Total		0	20	13	0	-	7

recommended for deletion

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 27 May 2025

Thirteen recommendations are fully implemented, Seven are on target in line with the original date, with two of these recommended for deletion due to changed circumstances as detailed below.

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

The Business Process Review of the Gardyne Sports Centre identified seven recommended actions, two of which were closed out at the March 2025 meeting. Given the proposal to cease the operations of the sports centre and to close the swimming pool it is recommended that the remaining actions be deleted.

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

5. Link to Strategic Risk Register

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

Progressing these Internal Audit and other outstanding actions will support the mitigation of the relevant risks identified within the Strategic Risk Register.

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

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

Appendix A

Outstanding Recommendations Update 3 June 2025

Year	Audit Area Report Title	Priority Action Grade	Report Grade	Action	Responsible Officer	Deadline	Progress (as at 27 May 2025)
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	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	Complete

Appendix A

Year	Audit Area Report Title	Priority Action Grade	Report Grade	Action	Responsible Officer	Deadline	Progress (as at 27 May 2025)
2024/06	2023/24 Student Activity Data	3	NA	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.	Administration Project Manager, and Data Management Team Leader	30 June 2025	On track
2024/06	2023/24 Student Activity Data	3	NA	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	Administration Project Manager, and Data Management Team Leader	30 June 2025	On track
2024/06	2023/24 Student Activity Data	3	NA	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.	Administration Project Manager, and Data Management Team Leader	30 June 2025	On track
2024/07	2023/24 Student Support Funds	2	NA	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.	Administration Project Manager	30 June 2025	On track

Appendix A

Year	Audit Area Report Title	Priority Action Grade	Report Grade	Action	Responsible Officer	Deadline	Progress (as at 27 May 2025)
2024/08	Sports Centre Business Process Review	Medium	NA	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 exiting conditions for commercial lets.	Business Partnership Manager	30 June 2025	Complete
2024/08	Sports Centre Business Process Review	Medium	NA	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.	Business Partnership Manager	30 June 2025	Recommended for deletion. Curriculum needs included in normal curriculum resource planning process

Appendix A

Year	Audit Area Report Title	Priority Action Grade	Report Grade	Action	Responsible Officer	Deadline	Progress (as at 27 May 2025)
2024/08	Sports Centre Business Process Review	Medium	NA	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.	Business Partnership Manager	30 June 2025	Complete
2024/08	Sports Centre Business Process Review	Medium	NA	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.	Business Partnership Manager	30 June 2025	Completed
2024/08	Sports Centre Business Process Review	Low	NA	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	Business Partnership Manager	30 June 2025	Recommended for deletion

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 3 June 2025



AUDIT

**7.1 – 2023-2024 AUDIT LESSONS &
IMPROVEMENT PLAN**

PAPER G

Audit Lessons and Improvement Plan

Paper for approval

1. Introduction

Following delay to the completion and sign-off of the 2023-2024 annual audit and financial statements it was agreed that a paper summarising the key points impacting on the audit process along with actions for improvement would be brought to the June 2025 meeting of the Audit and Risk Committee.

2. Delay in 2023-2024 Audit and Financial Statements Sign-Off

Under normal arrangements the audit plan and indicative timeline for the annual audit is considered by the Audit and Risk Committee at its June meeting. Audit work arising from this plan normally commences in the September, with a view to the draft audit report and financial statements being considered at a joint session of the Audit and Risk and the Finance and Property Committee in early December. This allows the final draft audit report and financial statements to be approved by the Board at its December meeting and submitted to Audit Scotland by the 31 December deadline.

For the 2023-2024 audit and statements this deadline was missed, with the final audit report and financial statements being signed and returned in March 2025.

A review of arrangements has identified a range of reasons for this delay, principally.

2.1. Timetabling and submission of audit information

Submission of a fully completed first draft of the financial statements from the College was delayed beyond the original timeline by a period of c3 weeks. This impacted on the remainder of the timeline and caused issues for Forvis Mazars in respect of their scheduling of the audit team alongside other commitments.

It is also recognised that some audit information submitted was incomplete and there were some issues around formatting, version control, and data accuracy as the audit progressed.

2.2. Clarity of Audit Guidance and Additional Requirements

The accounts direction for colleges was published by SFC on 18 September 2024. This is later than usual and the audit direction was then subject to further amendment on 15 November 2024 to adjust the approach required in respect of the accounting treatment of funds allocated to support the implementation of outcomes of the national support staff and middle management job evaluation project.

The discovery of Reinforced Autoclaved Aerated Concrete (RAAC) within the Kingsway tower necessitated additional revaluation work to be undertaken.

2.3. Finance Team Changes

Changes in senior finance staff took place in spring 2024 with consequent impacts on the availability and interpretation of some financial information required for audit. This resulted in the significant reworking of audit critical information, adding to workload and the complexity of audit activity.

A lack of experience in capital accounting within the team exacerbated the work required to fully interpret and present the necessary fixed asset and depreciation data.

These impacts were also exacerbated by staff absence and a delay in recruiting to a vacant Finance Manager role

The combination of the above factors (particularly in respect of capital accounting and national job evaluation changes) impacted significantly on the ability of the accounts to be signed off in December 2024. This delay was then further impacted due to additional issues surrounding the capital elements and the need for the auditors to identify and allocate additional resource to finalise all necessary work.

3. Audit 'Wash Up' Meeting and Improvement Plans

A detailed and productive 'wash up' session was held with College and Forvis Mazars representatives on 28 March 2025. This session covered the full range of points impacting on the delay from both a College and auditor perspective, with a clear focus on identifying improvement actions for the 2024-2025 audit and beyond.

As a result of the wash up meeting discussions and Finance Team reflections, the following improvement actions are being enacted for the 2024-2025 audit and will be embedded within future audit arrangements.

i) Timetabling and Audit Management

- A clear and more granular final accounts timetable will be developed between the College and Forvis Mazars with responsibility for preparation of working papers and review allocated in line with this.
- The College timetable will be developed to ensure that working papers are completed in advance of the required submission date to allow review (and re-work if required) by senior finance staff.
- A single D&A audit inbox will be created to manage all audit information and queries. All information and requests will be tagged to reflect the specific audit item on the schedule.
- Clear lines of named College responsibility for information to be provided will be identified and allocated.

ii) Effectively working with external auditors

- Greater clarity on audit progress and issues will be enacted including the timetabling of 3 interim progress meetings during the audit involving the Audit Director, Director of Finance and Vice Principal Support Services and Operations.
- Use of auditors as 'sounding board' only after internal discussions are completed.
- Review and filter of information in advance of sharing with the auditors (see bullet 2 above).

iii) Financial statements

- Static trial balance (perhaps except pension figures depending on when available).

- A fully completed first draft of the financial statements will be provided in advance of the fieldwork commencing.
- Clear Version Control of draft financial statements and shared papers will be enacted by the College and Forvis Mazars.
- Standardised requirements for all working papers will be developed and agreed with the Finance Team.

iv) Schedules and information to be audited

- Development work will be progressed to ensure more completeness of understanding of schedules within Finance team. This will ensure that Finance team leads for each area/item understand and can explain the information that is being provided to auditors
- This development will support the Finance Team to fully understand all schedules and improve the linking of supporting information and consistency of such information

v) Specific areas

- Capital accounting experience within Finance team will be enhanced prior to summer 2025 and additional work completed on fixed asset register.
- A full revaluation is required for the 2024-2025 audit in accordance with future planning of: 2025 Full Revaluation; 2026 Indexation; 2027 Indexation; 2028 Desk Top Valuation; 2029 indexation; 2030 Full Revaluation.

vi) Effectively working with external auditors

- Greater clarity on audit progress and issues will be enacted through the three progress meetings outlined above.

4. Progress Tracking

Progress in respect of the above actions / developments will be considered during the audit meetings and it is proposed that a further wash up meeting be arranged following sign off of the 2024-2025 financial statements. An update will be provided to the Audit & Risk Committee thereafter.

5. Strategic Risk Management

In line with the review arrangements, the Audit and Risk Committee requested that consideration be given to incorporation of an additional risk within the Strategic Risk Register to underpin audit requirements. A draft of this risk is noted below for approval.

6. 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 the following risk within the Strategic Risk Register.

- 3.2 Failure to achieve/maintain compliance arrangements, e.g. contracts; awarding bodies; audit.

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

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
2	Financial (cont)									

2.7	Failure to reach aspirational standards in financial strategy, budgeting, planning or audit	4	3	12	<ul style="list-style-type: none"> Clear financial strategy aligning to College priorities and FFR Rigorous zero based budgeting in place Regular, timeous and accurate budget monitoring Effective audit planning and completion 	3	2	6	<ul style="list-style-type: none"> Regular review of financial priorities to align / realign with available funds Comprehensive monitoring and reporting of all finances 'Real time' budget and data analysis underpins decision making Effective audit planning and completion 	VPSO DirFin
F&P										

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Blue (1-3) = Minor Risk; Green (4 – 8) = Moderate Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk. Board Risk Appetite for the above risks is assessed as Open with risks scored as major being subject to regular scrutiny and risks scored as fundamental subject to review at every meeting.

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 3 June 2025



AUDIT

7.2 – AUDIT PLAN

PAPER H



Annual Audit Plan

Dundee and Angus College– Year ending 31 July 2025

23 May 2025

The Board of Management
Dundee & Angus College
Old Glamis Road
Dundee
DD3 8LE

23 May 2025

Forvis Mazars
5th Floor,
3 Wellington Place
Leeds
LS1 4AP

Dear Members,

Annual Audit Plan – Year ending 31 July 2025

We are pleased to present our Annual Audit Plan for Dundee and Angus College for the year ending 31 July 2025. This report summarises our audit approach, including the significant audit risks and areas of key judgement we have identified, and provides details of our audit team. In addition, as it is a fundamental requirement that an auditor is, and is seen to be, independent of an audited entity, the section of the report titled '*Confirmation of our independence*' summarises our considerations and conclusions on our independence as auditors.

Two-way communication with you is key to a successful audit and is important in:

- Reaching a mutual understanding of the scope of the audit and our respective responsibilities;
- Sharing information to assist each of us to fulfil our respective responsibilities;
- Providing you with constructive observations arising during the audit process; and
- Ensuring that we, as external auditors, gain an understanding of your attitude and views in respect of the internal and external operational, financial, compliance, and other risks facing Dundee and Angus College which may affect the audit, including the likelihood of those risks materialising and how they are monitored and managed.

With that in mind, this report, which has been prepared following our initial planning discussions with management, facilitates a discussion with you on our audit approach. We welcome any questions, concerns, or input you may have on our approach or role as auditor.

Forvis Mazars LLP – 5TH Floor, 3 Wellington Place, Leeds, LS1 4AP Tel: [0113 394 2000](tel:01133942000) – Fax: [0113 394 20001](tel:011339420001) – www.forvismazars.com/uk

Forvis Mazars LLP is the UK firm of Forvis Mazars Global, a leading global professional services network. Forvis Mazars LLP is a limited liability partnership registered in England and Wales with registered number OC308299 and with its registered office at 30 Old Bailey, London, EC4M 7AU. Registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales. Details about our audit registration can be viewed at www.auditregister.org.uk under reference number C001139861. VAT number: GB 839 8356 73

The Board of Management
Dundee & Angus College
Old Glamis Road
Dundee
DD3 8LE
May 2025

Forvis Mazars
5th Floor
3 Wellington Place
Leeds
LS1 4AP

Annual Audit Plan – Year ending 31 July 2025 (continued)

This report also contains appendices that outline our key communications with you during the audit, and forthcoming accounting issues and other issues that may be of interest to you. Providing a high-quality service is extremely important to us and we strive to provide technical excellence with the highest level of service quality, together with continuous improvement to exceed your expectations. If you have any concerns or comments about this report or our audit approach, please contact me.

This document will be presented at the Audit and Risk Committee meeting on 3 June 2025. If you would like to discuss any matters in more detail, please contact me on 07881 283 571.

This report has been prepared in accordance with the responsibilities set out within the Audit Scotland's Code of Audit Practice ("the Code") and for the sole benefit of Audit and Risk Assurance Committee. Except where required by law or regulation, it should not be used, quoted or made available to any other parties without our prior written consent.

Yours faithfully,
Signed:

Michael Speight

Forvis Mazars

Forvis Mazars LLP – 5TH Floor, 3 Wellington Place, Leeds, LS1 4AP Tel: [0113 394 2000](tel:01133942000) – Fax: [0113 394 2001](tel:01133942001) – www.forvismazars.com/uk

Forvis Mazars LLP is the UK firm of Forvis Mazars Global, a leading global professional services network. Forvis Mazars LLP is a limited liability partnership registered in England and Wales with registered number OC308299 and with its registered office at 30 Old Bailey, London, EC4M 7AU. Registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales. Details about our audit registration can be viewed at www.auditregister.org.uk under reference number C001139861. VAT number: GB 839 8356 73

Contents

- 01 Engagement and responsibilities summary
- 02 Your audit engagement team
- 03 Audit scope, approach and timeline
- 04 Materiality and misstatements
- 05 Significant risks and other key judgement areas
- 06 Wider scope and Best Value
- 07 Audit fees and other services
- 08 Confirmation of our independence

Appendix A – Key communication points

Appendix B - Current year updates, forthcoming accounting and other issues

This document is to be regarded as confidential to Dundee and Angus College. It has been prepared for the sole use of Audit and Risk Committee as the appropriate sub-committee charged with governance. No responsibility is accepted to any other person in respect of the whole or part of its contents. Our written consent must first be obtained before this document, or any part of it, is disclosed to a third party.

Engagement and responsibilities summary

Engagement and responsibilities summary

We are appointed to perform the external audit of Dundee and Angus College for the year to 31 July 2025. The scope of our engagement is set out in the Code of Audit Practice, issued by the Auditor General and the Accounts Commission available from the Audit Scotland website: [Code of audit practice | Audit Scotland \(audit-scotland.gov.uk\)](https://www.audit-scotland.gov.uk/code-of-audit-practice). Our responsibilities are principally derived from the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council and the Code of Audit Practice, as outlined below and overleaf.

Audit opinion

We are responsible for forming and expressing an opinion on whether the financial statements are prepared, in all material respects, in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Our audit does not relieve management or Audit and Risk Assurance Committee, as Those Charged With Governance, of their responsibilities.

The Board of Management is responsible for the assessment of Dundee and Angus College's ability to continue as a going concern. As auditors, we are required to obtain sufficient, appropriate audit evidence regarding, and conclude on:

- a) whether a material uncertainty related to going concern exists, and
- b) the appropriateness of the Board of Management's use of the going concern basis of accounting in the preparation of the financial statements.

Fraud

The responsibility for safeguarding assets and for the prevention and detection of fraud, error, and non-compliance with law or regulations rests with both you and management. This includes establishing and maintaining internal controls over asset protection, compliance with relevant laws and regulations, and the reliability of financial reporting.

As part of our audit procedures in relation to fraud, we are required to inquire of you and key management personnel include internal audit, other key individuals, where relevant, on their knowledge of instances of fraud, and their views on the risks of fraud and on internal controls that mitigate those risks. In accordance with International Standards on Auditing (UK), we plan and perform our audit to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether due to fraud or error. However, our audit should not be relied upon to identify all such misstatements.

Engagement and responsibilities summary (continued)



Internal control

Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We are responsible for obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Dundee and Angus College’s internal control.



Wider scope and Best Value

We are also responsible for reviewing and reporting on the wider scope arrangements that the Dundee and Angus College has in place and its arrangements to secure Best Value. We discuss our approach to wider scope and Best Value work further in the ‘*Wider scope and Best Value*’ section of this report.

Your audit engagement team

Your audit team



Michael Speight
Engagement Director

michael.speight@mazars.co.uk

07881 283 571



Ruth Holland
Engagement Senior Manager

ruth.holland@mazars.co.uk

07881 283 517



Konzekerani Chigwenembe
Engagement Manager

konzekerani.chigwenembe@mazars.co.uk

07974 124479

Ruth is returning from maternity leave at the end of Summer and recommencing her role as your Engagement Senior Manager. Konzekerani will remain within the audit team to ensure the knowledge of the final stages of the 2024 audit is retained.

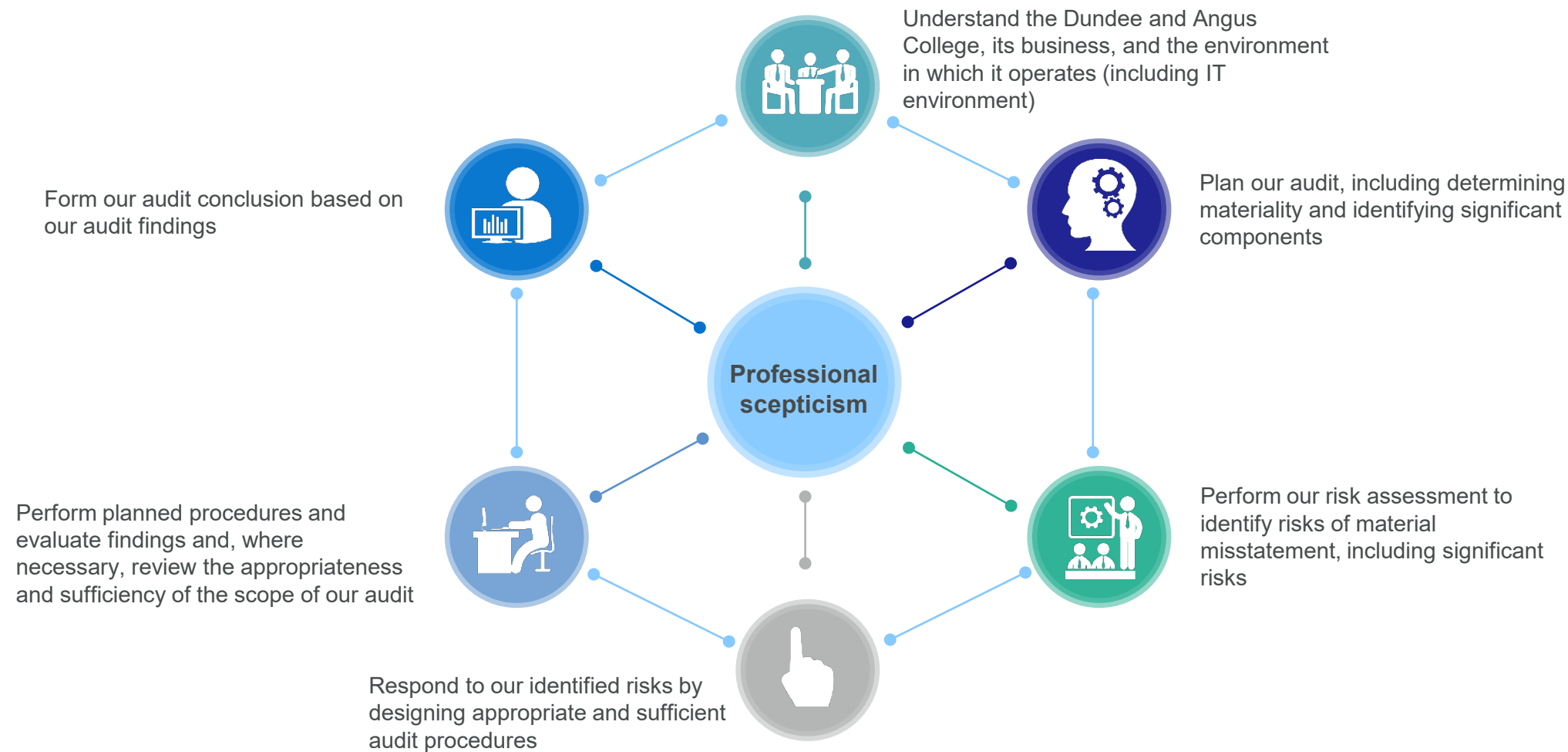
We will utilise internal experts on this engagement in the following areas: Pension Assumption valuation

03

Audit scope, approach, and timeline

Audit scope, approach, and timeline

Risk-based approach



Audit scope, approach, and timeline (continued)

Audit scope

Our audit approach is designed to provide an audit that complies with all professional requirements.

Our audit of the financial statements will be conducted in accordance with International Standards on Auditing (UK), relevant ethical and professional standards, our own audit methodology, and in accordance with the terms of our engagement. Our work is focused on those aspects of your business which we consider to have a higher risk of material misstatement, such as those impacted by management judgement and estimation, application of new accounting standards, changes of accounting policy, changes to operations, or areas found to contain material errors in the past.

Audit approach

Our audit approach is risk-based, and the nature, extent, and timing of our audit procedures are primarily driven by the areas of the financial statements we consider to be more susceptible to material misstatement. Following our risk assessment where we assess the inherent risk factors (subjectivity, complexity, uncertainty, change and susceptibility to misstatement due to management bias or fraud) to aid in our risk assessment, we develop our audit strategy and design audit procedures to respond to the risks we have identified.

If we conclude that appropriately designed controls are in place, we may plan to test and rely on those controls. If we decide controls are not appropriately designed, or we decide that it would be more efficient to do so, we may take a wholly substantive approach to our audit testing where, in our professional judgement, substantive procedures alone will provide sufficient appropriate audit evidence. Substantive procedures are audit procedures designed to detect material misstatements at the assertion level and comprise tests of detail (of classes of transaction, account balances, and disclosures), and substantive analytical procedures. Irrespective of our assessed risks of material misstatement, which takes account of our evaluation of the operating effectiveness of controls, we are required to design and perform substantive procedures for each material class of transaction, account balance, and disclosure.

Our audit has been planned and will be performed to provide reasonable assurance that the financial statements are free from material misstatement and give a true and fair view. The concept of materiality and how we define a misstatement is explained in the *'Materiality and misstatements'* section of this report.

The diagram on the next page outlines the procedures we perform at the different stages of our audit. We have also provided, later in this report, a table setting out the procedures we perform for the significant financial statement areas.

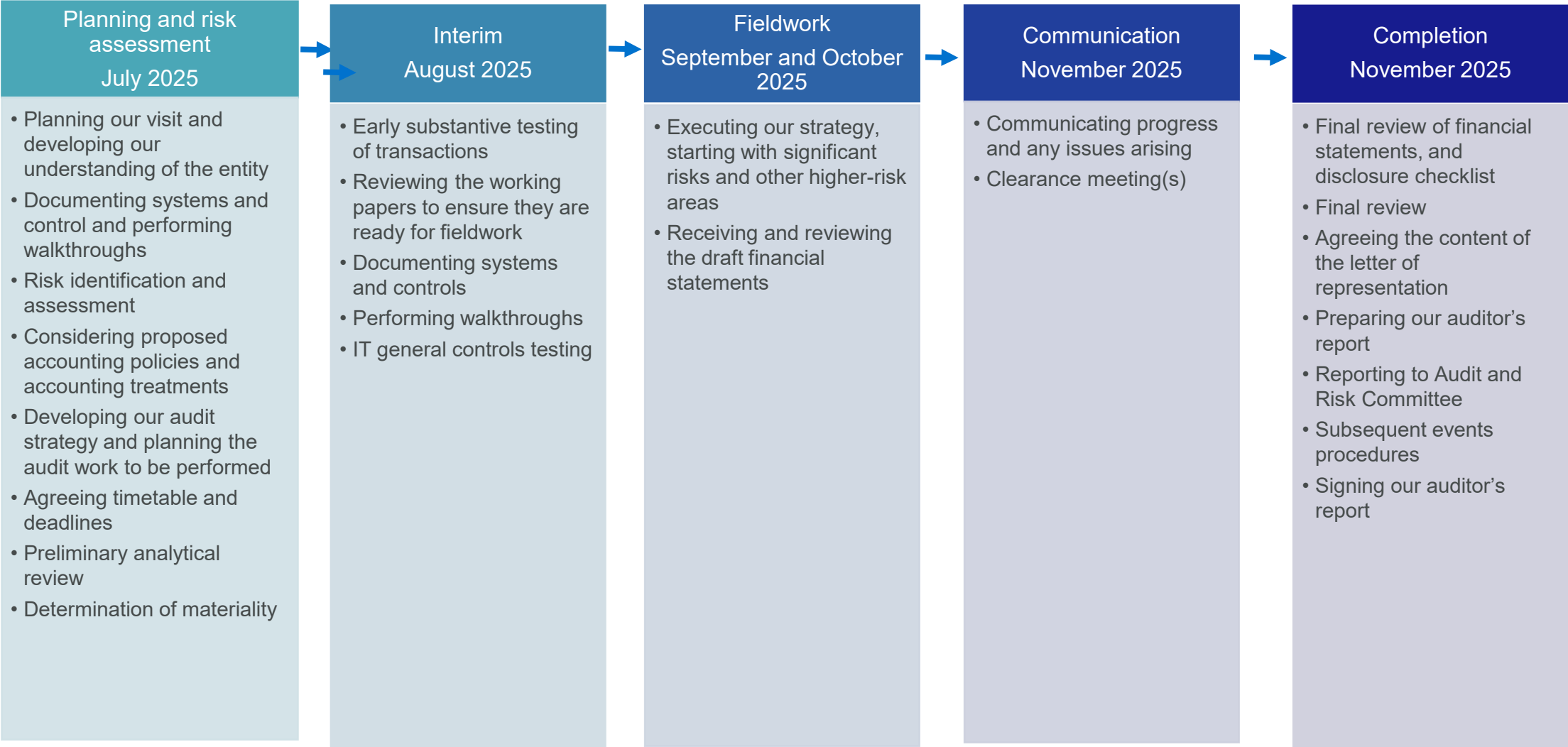
Audit scope, approach, and timeline (continued)

Management’s and our experts

Management makes use of experts in specific areas when preparing the Dundee and Angus College’s financial statements. We also use experts to assist us to obtain sufficient appropriate audit evidence on specific items of account.

Item of account	Management’s expert	Our expert
Pension assumptions	Barnett Waddingham	We will consider the reasonableness of the actuarial assumptions made, referring to our in-house pension scheme experts
Property valuation	Graham and Sibbald	We will consider the reasonableness of their valuation method and the assumptions made during this valuation

Audit scope, approach, and timeline



Audit scope, approach, and timeline (continued)

Group audit approach

The preliminary scope of our group audit is based on our analysis of the risks we have identified at group level. When scoping our audit, we have considered quantitative criteria (the contribution of each of the group’s consolidated components to the group financial statements); qualitative criteria (the risks of material misstatement of the group financial statements that consolidated components may present individually at component level); and we have assessed the risk of material misstatement across the group’s consolidated components in aggregate.

The nature and extent of audit work we plan to perform on the consolidated components is set out below.

Component name	%	Location	Auditor	Scope
Dundee and Angus College	Total Revenue	Dundee Scotland	Forvis Mazars	Full financial statements audit
Gardyne Theatre Limited	Total Revenue	Dundee Scotland	Forvis Mazars	Audit of specific balances.

Audit scope, approach, and timeline (continued)

Follow up on significant deficiencies in internal control

Set out below are the significant deficiencies in internal control that we identified during our prior period audit. We request that you and management provide an update on the action taken to address these deficiencies.

Maintenance of fixed asset register

Description of deficiency

The College’s fixed asset register has historically been prepared in a format, and with backing detail, which has now proven to be difficult to readily interpret and understand by other individuals. In the prior year the surrounding explanations provided to us facilitated the audit process – the loss of these explanations rendered it difficult for management to accurately update the register for 2023/24’s changes.

Potential effects

Inaccurate fixed asset records will, and have, resulted in misstated draft financial statements. Further, if replicated, these inaccuracies will potentially result in the incorrect calculation of depreciation and/or the revaluation reserve.

Recommendation

We recommend that a comprehensive review and reconciliation of the fixed assets register is undertaken to rectify the difficulties encountered in the 2024 audit. We recommend that training is provided to appropriate staff members in respect of the accounting treatment of revaluations.

Management response

We have committed to carrying out a comprehensive review and reconciliation of the fixed asset register and will consult auditors on the revised working papers to ensure that they provide adequate and complete information for auditors. This will be complete before the 2024/25 audit begins. We will provide training to appropriate staff members in respect of capital accounting, including revaluation.

Management update

Work has progressed on the comprehensive review and reconciliation of the fixed asset register with specialist support and training being provided via our internal audit contract. This work will be completed in time for the 2024/25 audit fieldwork. deadline.

Audit scope, approach, and timeline (continued)

Handover process and succession planning within the finance team

Description of the deficiency

Difficulties encountered during the audit process have demonstrated that the handover from the previous to the current staff within the finance team had been insufficient. Alongside, it is understood that certain organisation knowledge and understanding was held by an individual or individuals who are no longer employed by the College. Key documents and important information particularly in respect of tangible fixed assets was not sufficiently documented and communicated to the oncoming employee.

Potential effects

The loss of organisational knowledge and understanding is likely to create inefficiency and increases risk.
The situation has resulted in significant delays and inefficiency within the year-end and audit process and likely elsewhere.

Recommendation

We recommend that the College:

- Reviews the processes required to support an effective handover particularly in respect of senior management and key technical roles.
- Reviews the processes in respect of succession planning across all teams and identified tasks and areas where the ability to undertake them effectively and efficiently is contingent on the continued employment of one individual.
- Provides appropriate training to existing staff members to enhance technical knowledge in required areas.

Management response

The difficulties with the handover from previous finance staff to new staff were specific to finance. Ways of working across the finance team are being reviewed and this includes better documenting processes to ensure that handover to any new staff is understandable and complete. Accounting team responsibilities and activities are currently under review to ensure that there are no future single points of failure, but also to develop the skills and knowledge of the accounting team.
Feedback on handover arrangements out with finance, is that these arrangements are robust.

Management update

This related to a specific set of circumstances and no similar handover requirement has arisen within the team. Work to remove single dependencies and enhance staff skills and awareness is progressing and will continue on a rolling basis.

Materiality and misstatements

Materiality and misstatements

Definitions

Materiality is an expression of the relative significance or importance of a particular matter in the context of the financial statements as a whole.

Misstatements in the financial statements are considered to be material if they could, individually or in aggregate, reasonably be expected to influence the economic decisions of users based on the financial statements.

Materiality

We determine materiality for the financial statements as a whole (overall materiality) using a benchmark that, in our professional judgement, is most appropriate to entity. We also determine an amount less than materiality (performance materiality), which is applied when we carry out our audit procedures and is designed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Further, we set a threshold above which all misstatements we identify during our audit (adjusted and unadjusted) will be reported to Audit and Risk Committee .

Judgements on materiality are made in light of surrounding circumstances and are affected by the size and nature of a misstatement, or a combination of both. Judgements about materiality are based on a consideration of the common financial information needs of users as a group and not on specific individual users.

An assessment of what is material is a matter of professional judgement and is affected by our perception of the financial information needs of the users of the financial statements. In making our assessment we assume that users:

- Have a reasonable knowledge of business, economic activities, and accounts;
- Have a willingness to study the information in the financial statements with reasonable

diligence;

- Understand that financial statements are prepared, presented, and audited to levels of materiality;
- Recognise the uncertainties inherent in the measurement of amounts based on the use of estimates, judgement, and consideration of future events; and
- Will make reasonable economic decisions based on the information in the financial statements.

We consider overall materiality and performance materiality while planning and performing our audit based on quantitative and qualitative factors.

When planning our audit, we make judgements about the size of misstatements we consider to be material. This provide a basis for our risk assessment procedures, including identifying and assessing the risks of material misstatement, and determining the nature, timing and extent of our responses to those risks.

The overall materiality and performance materiality that we determine does not necessarily mean that uncorrected misstatements that are below materiality, individually or in aggregate, will be considered immaterial.

We revise materiality as our audit progresses should we become aware of information that would have caused us to determine a different amount had we been aware of that information at the planning stage.

Materiality and misstatements (continued)

Materiality (continued)

For the consolidated financial statements, we consider that Revenue is the key focus of users of the financial statements. We have therefore determined our initial materiality levels using Revenue as the benchmark.

For the single-entity financial statements, we consider that Revenue is the key focus of users of the financial statements. We have therefore determined our initial materiality levels using Revenue as the benchmark.

We expect to set a materiality of 1.75% of Revenue for the consolidated financial statements, and a materiality of 1.75% of Revenue for the single-entity.

As set out in the tables alongside, based on prior year signed financial statements we anticipate overall materiality for the year ended 31 July 2025 to be in the region of £795k (£795k in the prior year), and performance materiality to be in the region of £596k (£596k in the prior year).

For the single-entity, we anticipate overall materiality for the year ended 31 July 2025 to be in the region of £792k (£791k in the prior year), and performance materiality to be in the region of £594k (£594k in the prior year).

We will continue to update materiality throughout our audit to ensure it is set at an appropriate level.

Group financial statements

	2024/25 £'000s	2023/24 £'000s
Overall materiality	£795k	£795k
Performance materiality	£596k	£596k
Clearly trivial	£23k	£23k

Dundee and Angus single-entity financial statements

	2024/25 £'000s	2023/24 £'000s
Overall materiality	£792k	£791k
Performance materiality	£594k	£594k
Clearly trivial	£23k	£23k

Materiality and misstatements (continued)

Misstatements

We will accumulate misstatements identified during our audit that are above our determined clearly trivial threshold.

We have set a clearly trivial threshold for individual misstatements we identify (a reporting threshold) for reporting to Audit and Risk Committee and management that is consistent with a threshold where misstatements below that amount would not need to be accumulated because we expect that the accumulation of such amounts would not have a material effect on the financial statements.

Based on our preliminary assessment of overall materiality, our proposed clearly trivial threshold is £23k, based on 3% of overall materiality. If you have any queries about this, please raise these with Michael Speight.

Each misstatement above the reporting threshold that we identify will be classified as:

- **Adjusted:** Those misstatements that we identify and are corrected by management.
- **Unadjusted:** Those misstatements that we identify that are not corrected by management.

We will report all misstatements above the reporting threshold to management and request that they are corrected. If they are not corrected, we will report each misstatement to Audit and Risk Committee as unadjusted misstatements and, if they remain uncorrected, we will communicate the effect that they may have individually, or in aggregate, on our audit opinion.

Misstatements also cover qualitative misstatements and include quantitative and qualitative misstatements and omissions relating to the notes of the financial statements.

Reporting

In summary, we will categorize and report misstatements above the reporting threshold to Audit and Risk Committee as follows:

- Adjusted misstatements;
- Unadjusted misstatements; and
- Disclosure misstatements (adjusted and unadjusted).

Significant risks and other key judgement areas

Significant risks and other key judgement areas

Definitions

Following the risk assessment approach set out in the ‘*Audit scope, approach, and timeline*’ section, we have identified the risks of material misstatement in the financial statements. These risks are categorised as significant, enhanced, or standard. The definitions of these risk ratings are set out below.

Risk Level	Definition
Significant	A risk that is assessed as being at or close to the upper end of the spectrum of inherent risk, based on a combination of the likelihood of a misstatement occurring and the magnitude of any potential misstatement. A fraud risk is always assessed as a significant risk (as required by auditing standards), including management override of controls and revenue recognition.
Enhanced	An area with an elevated risk of material misstatement at the assertion level, other than a significant risk, based on factors/ information inherent to that area. Enhanced risks require additional consideration but do not rise to the level of a significant risk. These include but are not limited to: <ul style="list-style-type: none">• Key areas of management judgement and estimation uncertainty, including accounting estimates related to material classes of transaction, account balances, and disclosures but which are not considered to give rise to a significant risk of material misstatement; and• Risks relating to other assertions and arising from significant events or transactions that occurred during the period.
Standard	A risk related to assertions over classes of transaction, account balances, and disclosures that are relatively routine, non-complex, tend to be subject to systematic processing, and require little or no management judgement/ estimation. Although it is considered that there is a risk of material misstatement, there are no elevated or special factors related to the nature of the financial statement area, the likely magnitude of potential misstatements, or the likelihood of a risk occurring.

Significant risks and other key judgement areas (continued)

Audit risks and planned responses

In this section, we have set out the risks that we deem to be significant and enhanced, and our planned response. An audit is a dynamic process, and should we change our view of risk and/ or our approach to address those risks during our audit, we will report this to Audit and Risk Assurance Committee.

Significant risks

	Risk name	Fraud	Error	Judgement	Risk description	Planned response
1	Management override of controls	Yes	No	No	Management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur there is a risk of material misstatement due to fraud on all audits. You should assess this risk as part of your oversight of the financial reporting process.	In line with our methodology, we plan to address the management override of controls risk through performing audit work over: <ul style="list-style-type: none">• accounting estimates;• journal entries; and• significant transactions outside the normal course of business or otherwise unusual.

Significant risks and other key judgement areas (continued)

Significant risks (continued)

	Risk name	Fraud	Error	Judgement	Risk description	Planned response
2	Risk of fraud in revenue recognition	Yes	No	No	<p>There is a presumption under International Standards on Auditing that there is a significant risk of fraud and error in the timing of revenue recognition leading to the material misstatement of revenue overall. This is because revenue is an area of particular focus by users of financial statements and can be subject to judgements as to when certain income streams should be recognised and if clawback conditions apply to any funding.</p> <p>The risk above applies only to the non-core grant income and other non-grant income generated by the College. The risk has been rebutted in relation to the core grant income received by the College, given the highly regulated nature of this income, and therefore the lower inherent and fraud risks associated with it.</p>	<p>We will address this risk through performing audit work over:</p> <ul style="list-style-type: none"> the design and implementation of the controls management has in place to ensure income is recognised in the correct period; cash receipts around the year end to ensure they have been recognised in the right year; the judgements made by management in determining when non-grant income is recognised; for major grant income, obtaining counterparty confirmation; and expected credit loss provisions applied to receivables at the year end, considering the appropriateness of judgements made by management.
3	Defined benefit pension scheme assets	No	Yes	Yes	<p>There is a significant asset value used in calculating the Tayside Pension Fund (TPF) position as at 31 July 2025 and due to the nature of the pension scheme there is significant complexity in identifying the College's share of the assets. The complexity is created by factors such as:</p> <ul style="list-style-type: none"> The types of assets held by the pension scheme and their valuation bases; and The calculation of the College's share of the overall Scheme assets requiring the rolling forward of quarter end valuations.. 	<p>We will address this risk by obtaining confirmation from the pension fund of the total value submitted to the actuary and details of how the College's share of assets has been calculated.</p> <p>We will then review this confirmation and consider if the information provided is sufficient and challenge any inconsistencies noted.</p>

Significant risks and other key judgement areas (continued)

Other key areas of management judgement and enhanced risks

	Risk name	Fraud	Error	Judgement	Risk description	Planned response
4	Defined benefit pension scheme assumptions	No	Yes	Yes	<p>The College makes contributions to two pension schemes – the Scottish Teachers Superannuation Scheme (STSS) and the Tayside Pension Fund (TPF). While both are defined benefit schemes, it is not possible to identify the College's share of the underlying assets and liabilities in the STSS scheme and it is therefore accounted for as a defined contribution scheme.</p> <p>The College's share of the TPF's underlying assets and liabilities is identifiable and the net position is recognised in the accounts.</p> <p>There are significant assumptions used in calculating the value of the liability element of the year-end position of the TPF. Given the significance in the assumptions made, there is a risk of error due to the judgements used in the computation of the pension values.</p> <p>Additionally, at 31 July 2024 the College did not recognise the notional surplus of assets above liabilities in respect of the TPF.</p>	<p>We will consider the actuarial assumptions used by the actuary when calculating the liability element of the year-end position of the TPF. We will utilise our internal Actuarial Valuations team in order to assess the validity of these assumptions, both individually and in combination with each other.</p> <p>We will seek from management information to support the membership numbers included in the Actuarial report and understand how management have gained comfort that the data is correct.</p> <p>We will consider the accounting treatment in respect of the recognition, or otherwise, of the notional surplus to ensure it is consistent with the applicable accounting standards.</p>
5	Early Retirement Provision	No	Yes	Yes	<p>The College includes a provision in their financial statements in respect of staff who receive an enhanced pension for accepting early retirement. The calculation of the value of this provision uses a model which incorporates actuarial assumptions.</p>	<p>We will consider the actuarial assumptions used by the actuary when calculating the provision value.</p>

Significant risks and other key judgement areas (continued)

Other key areas of management judgement and enhanced risks

	Risk name	Fraud	Error	Judgement	Risk description	Planned response
6	Valuation of land and buildings	No	Yes	Yes	<p>The College held land and buildings with a net book value of £66.2m as at 31 July 2024.</p> <p>In line with the requirements of the Government Financial Reporting Manual, the College has adopted a revaluation policy of a full valuation every five years, with a desktop interim valuation at year 3. In between these valuations an indexation exercise is carried out to ensure the value of the land and buildings is being appropriately reflected within the financial statements. For the year ending 31 July 2025, an interim valuation is scheduled to be carried out.</p> <p>The College is in the early stages of a process which is intended to ultimately result in two new campuses to replace the existing estate. This situation needs to be appropriately considered in the desktop valuation process.</p> <p>The College policy meets the requirement of the FE SORP that assets are valued sufficiently regularly so that the carrying value of the asset is not materially different from its fair value.</p> <p>Given the significance of the value of fixed assets held, a misstatement in the valuation could be material to the financial statements.</p>	<p>We will undertake a range of substantive procedures including:</p> <ul style="list-style-type: none"> • Undertaking a review of management's assessment as to whether the desktop valuation review takes account of all relevant changes to land and buildings including any associated impact of the College's future plans; • Challenging the assumptions within the valuation prepared by management's expert through reference to external sources such as the BCIS average prices index as well as our own understanding of the estate; • Reviewing the reconciliation between the College's asset register and general ledger; and • Considering the College's impairment review process for land and buildings..

Significant risks and other key judgement areas (continued)

Other key areas of management judgement and enhanced risks

	Risk name	Fraud	Error	Judgement	Risk description	Planned response
7	Accounting treatment of Job Evaluation Scheme	No	Yes	Yes	<p>Following the release of the final 2023/24 Accounts Direction for Scottish Colleges the accounting treatment for the Job Evaluation Scheme was updated in the 2024 financial statements with the removal of the debtor and reclassification of the creditor to provisions.</p> <p>It is expected that the 2024/25 Accounts Direction, when released in June/July, will require Colleges to account for the Scheme in an equivalent manner.</p> <p>The historic creditor was calculated using figures extracted from the Funding Allocation Letter although in recent years no separate figure has been provided to Colleges. As such the calculation of the provision requires Colleges to exercise judgement as to the quantum of the provision giving consideration to changes to staffing and pay levels since 2018.</p>	<p>We will consider a range of substantive procedures including:</p> <ul style="list-style-type: none"> • Considering the proposed treatment against the requirements of the 2024/25 Accounts Direction; • Considering the consistency between the proposed treatment and FRS 102; • Considering the appropriateness of the basis of calculation of the provision; • Considering whether the computation of the Job evaluation amount has taken into account of all relevant considerations.

Significant risks and other key judgement areas (continued)

Other considerations

In consideration of ISA (UK) 260 Communication with Those Charged with Governance, we would like to seek Audit and Risk Assurance Committee's views/ knowledge of the following matters:

- Did you identify any other risks (business, laws & regulation, fraud, going concern etc.) that may result in material misstatements?
- Are you aware of any significant communications between Dundee and Angus College and regulators?
- Are there any matters that you consider warrant particular attention during the course of our audit, and any areas where you would like additional procedures to be undertaken?

Significant difficulties encountered during the course of audit

In accordance with ISA (UK) 260 *Communication with Those Charged with Governance*, we are required to communicate certain matters to you which include, but are not limited to, significant difficulties, if any, that are encountered during our audit. Such difficulties may include matters such as:

- Significant delays in management providing information that we require to perform our audit.
- An unnecessarily brief time within which to complete our audit.
- Extensive and unexpected effort to obtain sufficient appropriate audit evidence.
- Unavailability of expected information.
- Restrictions imposed on us by management.
- Unwillingness by management to make or extend their assessment of an entity's ability to continue as a going concern when requested.

We will highlight to you on a timely basis should we encounter any such difficulties (if our audit process is unduly impeded, this could require us to issue a modified auditor's report).

Internal audit function

Based on our assessment of the extent to which the internal audit function's organisational status and relevant policies and procedures support the objectivity of the internal auditors, the level of competence of the internal audit function, and whether the internal audit function applies a systematic and disciplined approach, including quality control, we do not expect to use the work of the internal audit function for the purpose of our audit.

Nonetheless, we will obtain a copy of the reports issued by internal audit relating to the financial period under audit determine whether any findings will have an impact on our risk assessment and planned audit procedures.

Wider scope and Best Value

Wider scope and Best Value

The framework for wider scope work

The Code of Audit Practice sets out the four areas that frame the wider scope of public sector audit. We are required to form a view on the adequacy of the Dundee and Angus College's arrangements in four areas:

- 1. Financial management
- 2. Financial sustainability
- 3. Vision, leadership, and governance
- 4. Use of resources to improve outcomes

Financial management

Financial management means having sound budgetary processes. Audited bodies require the ability to understand the financial environment and whether internal controls are operating effectively.
Auditors consider whether the body has effective arrangements to secure sound financial management.

Financial sustainability

Financial sustainability means being able to meet the needs of the present without compromising the ability of future generations to meet their own needs.
Auditors consider the extent to which audited bodies have shown regard to financial sustainability. They look ahead to the medium term (two to five years) and longer term (over five years) to consider whether the body is planning effectively so that it can continue to deliver services.

Vision, leadership and governance

Audited bodies must have a clear vision and strategy, and set priorities for improvement within this vision and strategy. They work together with partners and communities to improve outcomes and foster a culture of innovation.
Auditors consider the clarity of plans to implement the vision, strategy and priorities adopted by the leaders of the audited body. They also consider the effectiveness of governance arrangements for delivery.

Use of resources to improve outcomes

Audited bodies need to make best use of their resources to meet stated outcomes and improvement objectives, through effective planning and working with strategic partners and communities.
Auditors consider the clarity of the arrangements in place to ensure that resources are deployed to improve strategic outcomes, meet the needs of service users taking account of equalities, and deliver continuous improvements in priority services.

Wider scope and Best Value (continued)

Our approach

Our planned audit work against the four wider scope areas is risk based and proportionate. We need to gather sufficient evidence to support our commentary on the Dundee and Angus College's arrangements and to identify and report on any significant weaknesses. We will carry out more detailed work where we identify significant risks. Where significant weaknesses are identified we will report these to the Dundee and Angus College and make recommendations for improvement. In addition to local risks, we consider challenges that are affecting the public sector as a whole.

Best Value

Ministerial Guidance to Accountable Officers and the Scottish Public Finance Manual explain that Accountable Officers have a specific responsibility to ensure that arrangements have been made to secure Best Value including consideration of the seven Best Value characteristics. We will consider the arrangements put in place by the Accountable Officer to meet their Best Value obligations as part of the wider scope audit work.

We are required to report on the fairness and equality characteristic once during the audit appointment. We are planning on reporting on these characteristics in the 2024/25 Annual Audit Report

Wider scope and Best Value (continued)

Wider scope risks

The Code of Audit Practice requires us to consider the significant audit risks in areas defined in the Code as the wider scope audit.

Although we have not fully completed our planning and risk assessment work, the table below outlines the wider scope audit risks that we have identified to date. We will report any further identified risks to the Audit and Risk Committee on completion of our planning and risk identification work.

Description		Financial management	Financial sustainability	Vision, leadership and governance	Use of resources to improve outcomes	Planned procedures
1	<p>We are aware that the overall College Sector in Scotland is having to respond to the financial pressures of inflating costs in a period when core grant income is flat.</p> <p>We have been made aware that the College is projecting a small deficit for the year to 31 July 2025, and that the longer-term financial planning at the College remains difficult despite the college receiving additional funding in the new funding allocation.</p> <p>The above position means that the College will have to make decisions in order to appropriately balance finances.</p> <p>Given the level of sector wide uncertainties around the sufficient of future funding and of the general economic environment that has arisen there is a risk the timing of the future funding gap could be accelerated and / or additional funding not being made available from the SFC.</p>	No	Yes	No	No	<p>We intend to consider:</p> <ul style="list-style-type: none">• the forecast financial position in the financial plans submitted to SFC;• alternative plans being considered by the College to ensure a balanced budget is achieved;• the financial reporting arrangements in place at the College

07

Audit fees and other services

Audit fees and other services

Our fees (inclusive of VAT but exclusive disbursements) for the audit of Dundee and Angus College’s financial statements for the year ended 31 July 2025, are outlined below.

At this stage of the audit, we are not planning any divergence from the expected fees set by Audit Scotland, which is available on the Audit Scotland website:

Area of work	2024-25 Proposed Fee	2023-24 Actual Fee
Auditor remuneration	£54,890	£52,680
Pooled costs	(£6,930)	(£5,620)
Sectoral cap adjustment	(£4,580)	(£4,500)
Total fees	£43,380	£42,560

Confirmation of our independence

Confirmation of our independence

Requirements

We comply with the International Code of Ethics for Professional Accountants, including International Independence Standards issued by the International Ethics Standards Board for Accountants together with the ethical requirements that are relevant to our audit of the financial statements in the UK reflected in the ICAEW Code of Ethics and the FRC Revised Ethical Standard.

Compliance

We are not aware of any relationship between Forvis Mazars and Dundee and Angus College that, in our professional judgement, may reasonably be thought to impair our independence.

We are independent of Dundee and Angus College and have fulfilled our independence and ethical responsibilities in accordance with the requirements applicable to our audit.

Non-audit and Audit fees

We have set out a summary of the non-audit services provided by Forvis Mazars (with related fees) to Dundee and Angus College, together with our audit fees and independence assessment.

We are committed to independence and confirm that we comply with the FRC's Revised Ethical Standard. In addition, we have set out in this section any matters or relationships we believe may have a bearing on our independence or the objectivity of our audit team.

Based on the information provided by you and our own internal procedures to safeguard our independence as auditors, we confirm that in our professional judgement there are no relationships between us and any of our related or subsidiary entities, and you and your related entities, that create any unacceptable threats to our independence within the regulatory or professional requirements governing us as your auditors.

We have policies and procedures in place that are designed to ensure that we carry out our work with integrity, objectivity, and independence. These policies include:

- All partners and staff are required to complete an annual independence declaration.
- All new partners and staff are required to complete an independence confirmation and complete annual ethical training.
- Rotation policies covering audit engagement partners and other key members of the audit team.
- Use by managers and partners of our client and engagement acceptance system, which requires all non-audit services to be approved in advance by the audit engagement partner.

We confirm, as at the date of this report, that the engagement team and others in the firm as appropriate, Forvis Mazars LLP are independent and comply with relevant ethical requirements. However, if at any time you have concerns or questions about our integrity, objectivity or independence, please discuss these with me in the first instance.

Appendices

A: Key communication points

B: Current year updates, forthcoming accounting and other issues

Appendix A: Key communication points

We value communication with you, as a two-way feedback process is at the heart of our client service commitment. ISA (UK) 260 Communication with Those Charged with Governance and ISA (UK) 265 Communicating Deficiencies In Internal Control To Those Charged With Governance And Management specifically require us to communicate a number of points with you.

Relevant points that need to be communicated with you at each stage of the audit are outlined below.

Form, timing and content of our communications

We will present the following reports:

- Our Annual Audit Plan in May 2025;
- Our Annual Audit Report in November 2025; and
- Our independent auditor's report in December 2025.

These documents will be discussed with management prior to being presented to yourselves and their comments will be incorporated as appropriate.

Key communication points at the planning stage as included in this Annual Audit Plan

Our responsibilities in relation to the audit of the financial statements;

- The planned scope and timing of the audit;
- Significant audit risks and areas of management judgement;
- Our commitment to independence;
- Responsibilities for preventing and detecting errors;
- Materiality and misstatements; and
- Fees for audit and other services.

Key communication points at the completion stage to be included in our Annual Audit Report

- Significant deficiencies in internal control;
- Significant findings from the audit;
- Significant matters discussed with management;
- Significant difficulties, if any, encountered during the audit;
- Qualitative aspects of the entity's accounting practices, including accounting policies, accounting estimates and financial statement disclosures;
- Our conclusions on the significant audit risks and areas of management judgement;
- Summary of misstatements;
- Management representation letter;
- Our proposed draft audit report; and
- Independence.

Appendix A: Key communication points

ISA (UK) 260 Communication with Those Charged with Governance, ISA (UK) 265 Communicating Deficiencies In Internal Control To Those Charged With Governance And Management and other ISAs (UK) specifically require us to communicate the following:

Required communication	Where addressed
Our responsibilities in relation to the financial statement audit and those of management and Those Charged with Governance.	Annual Audit Plan
The planned scope and timing of the audit including any limitations, specifically including with respect to significant risks.	Annual Audit Plan
With respect to misstatements: <ul style="list-style-type: none">• Uncorrected misstatements and their effect on our audit opinion;• The effect of uncorrected misstatements related to prior periods;• A request that any uncorrected misstatement is corrected; and• In writing, corrected misstatements that are significant.	Annual Audit Report
With respect to fraud communications: <ul style="list-style-type: none">• Inquiries with Audit and Risk Committee to determine whether you have knowledge of any actual, suspected, or alleged fraud affecting the entity;• Any fraud that we have identified or information we have obtained that indicates that fraud may exist; and• A discussion of any other matters related to fraud.	Annual Audit Report and discussion at Audit and Risk Assurance Committee Audit planning and clearance meetings
Where relevant, any issues identified with respect to authority to obtain external confirmations or inability to obtain relevant and reliable audit evidence from other procedures.	Annual Audit Report

Appendix A: Key communication points (continued)

Required communication	Where addressed
Significant matters arising during the audit in connection with the entity’s related parties including, when applicable: <ul style="list-style-type: none">• Non-disclosure by management;• Inappropriate authorisation and approval of transactions;• Disagreement over disclosures;• Non-compliance with laws and regulations; and• Difficulty in identifying the party that ultimately controls the entity.	Annual Audit Report
Significant findings from the audit including: <ul style="list-style-type: none">• Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures;• Significant difficulties, if any, encountered during the audit;• Significant matters, if any, arising from the audit that were discussed with management or were the subject of correspondence with management;• Written representations that we are seeking;• Expected modifications to the audit report; and• Other matters, if any, significant to the oversight of the financial reporting process or otherwise identified in the course of the audit that we believe will be relevant to Dundee and Angus Collegeor Audit and Risk Committee in the context of fulfilling their responsibilities.	Annual Audit Report
Significant deficiencies in internal controls identified during the audit.	Annual Audit Report

Appendix A: Key communication points (continued)

Required communication	Where addressed
<p>Audit findings regarding non-compliance with laws and regulations where the non-compliance is material and believed to be intentional (subject to compliance with legislation on tipping off)} and inquiry of Audit and Risk Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements that Audit and Risk Committee may be aware of.</p>	<p>Annual Audit Report and Audit and Risk Committee meetings</p>
<p>With respect to going concern, events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> • Whether the events or conditions constitute a material uncertainty; • Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements; and • The adequacy of related disclosures in the financial statements. 	<p>Annual Audit Report</p>
<p>Communication regarding our system of quality management, compliant with ISQM (UK) 1, developed to support the consistent performance of quality audit engagements. To address the requirements of ISQM (UK) 1, our firm's System of Quality Management team completes, as part of an ongoing and iterative process, a number of key steps to assess and conclude on our firm's System of Quality Management:</p> <ul style="list-style-type: none"> • Ensure there is an appropriate assignment of responsibilities under ISQM (UK) 1 and across Leadership • Establish and review quality objectives each year, ensuring ISQM (UK) 1 objectives align with the firm's strategies and priorities • Identify, review, and update quality risks each quarter, taking into consideration the number of input sources (such as FRC / ICAEW review findings, internal monitoring findings, findings from our firm's root cause analysis and remediation functions, etc.) • Identify, design, and implement responses as part of the process to strengthen our firm's internal control environment and overall quality • Evaluate responses and remediate control gaps or deficiencies <p>We perform an evaluation of our system of quality management on an annual basis. Our first evaluation was performed as of 31 August 2023. Details of that assessment and our conclusion are set out in our 2022/2023 Transparency Report, which is available on our website here.</p> <p>The details of our evaluation of our system of quality management as of 31 August 2024, and our conclusion, will be available in our 2023/24 Transparency Report, which will be available on our website by 31 December 2024.</p>	<p>Annual Audit Plan</p>

Appendix B: Current year updates, forthcoming accounting & other issues

Applicable for UK GAAP Reporters

Current and forthcoming accounting issues

New standards and amendments

Effective for accounting periods beginning on or after 1 January 2023

Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland – Pillar Two model rules (Issued May 2023)

- The amendments introduce changes to Section 29 *Income Taxes* to provide temporary relief from accounting for deferred taxes arising from the implementation of UK tax legislation that is based on the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). The rules aim to address the tax challenges arising from the digitalisation of the economy and set out an income inclusion rule (multinational top-up tax) and a qualified domestic minimum top-up tax that aim to ensure a minimum corporate tax rate of 15% for large multinational groups.
- In the UK, the tax reform will apply for accounting periods beginning on or after 31 December 2023; effectively therefore for most entities from 1 January 2024. The qualified domestic minimum top-up tax will apply not only to multinational groups but also to UK domestic groups and UK standalone entities that meet the size threshold of having annual revenues of more than €750 million. The tax legislation became substantively enacted on 20 June 2023.

The amendments introduce a temporary exception (with no specified end date) to the recognition of deferred taxes resulting from the implementation of the Pillar Two legislation and to consider the effects of the legislation when measuring recognised deferred tax assets and liabilities, as well as requiring the disclosure of specified information, including:

- If an entity is or expects, based on known or reasonably estimable information, to be within the scope of the Pillar Two legislation, it shall disclose that fact;
- To disclose separately the current tax expense related to Pillar Two income taxes; and
- When such legislation has been enacted or substantively enacted (substantive enactment was on 20 June 2023) by the reporting date but is not yet in effect for the entity, an entity shall disclose known or reasonably estimable information that helps users of financial statements understand the entity's exposure to Pillar Two income tax arising from that legislation.

This shall include disclosure of qualitative and quantitative information about its exposure to Pillar Two income tax at the end of the reporting period. This information does not have to reflect all the specific requirements of the Pillar Two legislation and can be provided in the form of an indicative range. To the extent information is not known or reasonably estimable, an entity shall instead disclose a statement to that effect and disclose information about the entity's progress in assessing its exposure.

The temporary exception to the accounting of deferred taxes is applicable retrospectively and immediately on publication of the amendments, being May 2023. The disclosure requirements are applicable for accounting periods beginning on or after 1 January 2023.

Appendix B: Current year updates, forthcoming accounting & other issues (continued)

Applicable for UK GAAP Reporters

Current and forthcoming accounting issues (continued)

New standards and amendments (continued)

Effective for accounting periods beginning on or after 1 January 2025/2026

Amendments to FRS 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland and other FRSs – Periodic Review 2024 (Issued July 2024)

Overview

These amendments finalise the FRC's periodic review of the UK's accounting standards consulted on in FRED 82 *Draft amendments to FRS 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland and other FRSs - Periodic Review 2024* and FRED 84 *Draft amendments to FRS 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland - Supplier finance arrangements*.

What are the key changes?

Section 23 Revenue from Contracts with Customers – The revenue accounting requirements have been completely replaced with a new section that is based on IFRS 15 *Revenue from Contracts with Customers*.

The amendments set out a five-step model to be applied to all contracts with customers, with some practical simplifications, requiring revenue to be recognised to depict the transfer of promised goods or services (a promise being an obligation to transfer a good or service (or bundle of goods or services) that is distinct) to customers, with the amount to reflect the consideration to which the entity expects to be entitled in exchange for those goods or services. The requirements will ensure that more useful information is reported about the nature, amount and timing of revenue and cash flows arising from contracts with customers.

The amendments include considerably more extensive requirements and guidance than

the current requirements of Section 23, including areas of revenue accounting that were not previously specifically dealt with or were limited. These new, or revised, areas include warranties, non-refundable upfront fees, principal versus agent considerations, customer options for additional goods or services, variable consideration, refund liabilities, repurchase agreements, licensing, and contract balances.

Section 20 Leases – The lease accounting requirements have been completely replaced with a new section that is based on IFRS 16 *Leases*.

The amendments require all lease arrangements to be recognised on-balance sheet, with some exemptions and practical simplifications, and therefore removing the distinction between operating and finance lease arrangements. The exemptions allow short-term leases and leases of low-value assets to remain off-balance sheet.

The practical simplifications, which are when compared to IFRS reporting, are in relation to:

- Introducing a lessee's obtainable borrowing rate as an alternative to the lessee's incremental borrowing rate;
- Reducing the number of situations in which a lease modification requires the determination of a revised discount rate;
- Offering the option of a simpler approach to recognising gains and losses on sale and leaseback transactions; and
- Providing a higher threshold when determining low-value assets.

Section 2 Concepts and Pervasive Principles – The section is revised to align the principles with the 2018 Conceptual Framework for reporting under IFRS.

Section 2A Fair Value Measurement – The section is revised, replacing the existing Appendix to Section 2, to align the key requirements with IFRS 13 *Fair Value Measurement*. The amendments aim to provide additional guidance to help ensure consistency of conclusions reached when determining fair values.

Appendix B: Current year updates, forthcoming accounting & other issues (continued)

Applicable for UK GAAP Reporters

Current and forthcoming accounting issues (continued)

New standards and amendments (continued)

Effective for accounting periods beginning on or after 1 January 2025/2026 (continued)

Amendments to FRS 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* and other FRSS – Periodic Review 2024 (Issued July 2024) (continued)

Section 7 *Statement of Cash Flows* – The amendments introduce new disclosure requirements about supplier finance arrangements (also referred to as supply chain finance, payables finance or reverse factoring arrangements). The amendments aim to provide users of financial statements with additional information about an entity's use of supplier finance arrangements and the effect of such arrangements on the entity's financial position and cash flows. The additional disclosure requirements relate to the specific terms and conditions of the arrangement and quantitative information about changes in carrying amounts of financial liabilities that are part of the supplier financing arrangement, including both cash and non-cash changes.

Section 8 *Notes to the Financial Statements* – Amendments are added to require entities to disclose 'material accounting policy information' instead of 'significant accounting policies' such that the requirements become aligned with IAS 1 *Presentation of Financial Statements*.

Section 10 *Accounting Policies, Estimates and Errors* – Amendments are added to introduce the definition of an accounting estimate to help entities distinguish changes in accounting estimates from changes in accounting policies.

Section 11 *Financial Instruments* and Section 12 *Other Financial Instruments Issues*

– There is the removal of the option to newly adopt the recognition and measurement requirements of IAS 39 *Financial Instruments: Recognition and Measurement*, in preparation for the eventual removal of this option, with the exception of allowing entities to do so solely to make the entity's accounting policies consistent with those adopted in the consolidated financial statements in which the entity is included.

The proposals do not bring in the requirements under IFRS 9 *Financial Instruments* (IFRS 9) to apply an expected loss model for impairment of financial assets. However, where an entity chooses to apply the recognition and measurement requirements of IFRS 9 (as an accounting policy option under FRS 102), then new disclosure requirements relating to the expected credit loss model are included.

Section 29 *Income Tax* – Amendments are added to align with the requirements of IFRIC 23 *Uncertainty over Income Tax Treatments* on how to reflect the effects of uncertainty in the accounting for income taxes.

Who is it applicable to?

The amendments from this periodic review are applicable to all FRS 102 reporters. The impact for each UK business will vary depending upon the nature of the entity's operations and activities. Care is required to ensure that a full impact assessment is carried out early to allow for adequate implementation of any new accounting requirements, particularly where full retrospective application is required.

When is it effective?

The amendments are applicable to accounting periods beginning on or after 1 January 2026, with early application permitted provided all amendments are applied at the same time. There is an exception for the new disclosure requirements relating to supplier finance arrangements that are applicable to accounting periods beginning on and after 1 January 2025.

Appendix B: Current year updates, forthcoming accounting & other issues (continued)

International Auditing Standard UK 600 Revised - Special considerations - Audits of group financial statements (Including the work of component auditors)

ISA UK 600 deals with the special considerations that apply to audits of group financial statements, including those circumstances when component auditors are involved. The auditing standard has been revised. The revised standard is effective for audits of group financial statements for periods beginning on or after 15 December 2023. The revisions made to ISA (UK) 600 impact how we perform audits of group financial statements, and how we communicate our audit strategy and audit findings arising from audits of group financial statements, going forward. This page sets out the key changes made to ISA (UK) 600 and how Forvis Mazars will apply the requirements of the revised standard in practice.

Key changes

The previous ISA (UK) 600 included prescriptive requirements in respect of the audit procedures required over 'significant components' of a group, i.e., a 'full scope' audit of a significant component's financial information relevant to the group financial statements was required. Forvis Mazars defined a 'significant component' as one that contributed to the group financial statements more than 15% of the materiality benchmark selected to determine group materiality, e.g., if we had determined materiality using a profit before tax benchmark, any component that contributed more than 15% of the group's reported profit before tax would be classified as a significant component and a 'full scope' audit would be performed over that component's financial information.

ISA (UK) 600 Revised eliminates the 'significant component' concept, opting instead for consideration of risks of material misstatement at the assertion level of the group financial statements that are associated with components. This results in a group audit that is better focused on the risks of material misstatement of the group financial statements and affords greater flexibility in how we classify components and how we may design the nature and extent of audit procedures to be performed over a component's financial information, i.e., we can determine the nature and extent of the audit procedures to be performed over a component's financial information based on the specific risks relevant to the group financial statements.

ISA (UK) 600 also, however, removed the option to limit the procedures performed over a 'non-significant' component's financial information to desktop analytical procedures. We are now required to perform substantive audit procedures (or a combination of substantive audit procedures and tests of controls) over the group financial statements, including the financial information relating to components in the group, until the residual, untested balances, classes of transaction and disclosures in the group financial statements are below our group materiality. This is to ensure that aggregation risk (the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole) is addressed appropriately.

In combination, these changes may result in a change to the nature and extent of the audit procedures we perform over the financial information of components on a group audit compared to previous years and may result in components that were not previously in scope of our group audit being brought into scope going forward to ensure that we address aggregation risk appropriately.

Appendix B: Current year updates, forthcoming accounting & other issues (continued)

International Auditing Standard UK 600 Revised - Special considerations - Audits of group financial statements (including the work of component auditors)

Key changes (continued)

To ensure consistency of approach, Forvis Mazars will apply the definitions set out below when performing audits of group financial statements going forward:

Key component	Material component	Non-material component
<p>Any component:</p> <p>i. Which is greater or equal to 15% of the benchmark chosen for calculating group materiality (key by size); or</p> <p>ii. Where the specific nature or circumstance of its financial information make it likely to include significant risks of misstatement of the group financial statements (key by risk).</p>	<p>Any component, other than a key component, that contributes to one or more group financial statement areas an amount that is above group financial statement materiality.</p>	<p>A component, that is not a key component or a material component, that is scoped into a group audit to reduce the risk of material misstatement of the group financial statements to an acceptably low level (based on size or risk) in situations when, after assessing which components are key components and material components, the aggregate amount of a financial statement area related to un-scoped components is still above group financial statement materiality.</p>

Appendix B: Current year updates, forthcoming accounting & other issues (continued)

International Auditing Standard UK 600 Revised - Special considerations - Audits of group financial statements (including the work of component auditors)

Key changes (continued)

Definition of ‘component’ - The definition of ‘component’ has been revised to “an entity, business unit, function or business activity, or some combination thereof, determined by the group auditor for the purposes of planning and performing audit procedures in a group audit”.

This provides clarity on how components may be identified in a group audit and may result in a change to how we identify components on a group audit compared to previous years. For example, we may group separate legal entities (e.g., subsidiaries) in a group based on common characteristics (such as common management, common information systems, and common geographical locations) and treat those components as a single component, when appropriate to do so.

Common controls - The definition of ‘group-wide’ controls has been removed and we are instead required to consider ‘common controls’, being controls that operate in a common manner for multiple entities or business units.

This may assist us in grouping separate legal entities, business units, functions, or business activities in a group into a single component for the purposes of a group audit; or it may result in us grouping specific account balances or classes of transaction recorded by individual legal entities, business units, functions, or business activities into a single population for the purposes of our audit procedures.

For audits where we are adopting a controls-based audit strategy, this may result in efficiencies, as we can rely on a single control for the purposes of the audits of more than one component where that control is common to those components.

Definition of ‘engagement team’ - The definition of ‘engagement team’ has been revised to include component auditors. While this change may seem inconsequential, it forms part of the overall changes intended by ISA (UK) 600 Revised to enhance two-way communication between the group auditor and component auditors during a group audit. This will result in enhanced direction and supervision of component auditors by the group auditor during a group audit.

Calculation of component materiality - The requirement to set overall materiality for a component has been removed. We are now only required to determine component performance materiality.

Other changes - ISA (UK) 600 Revised includes new and revised requirements and application material that better aligns the standard with recently revised standards such as ISQM (UK) 1, ISA (UK) 220, and ISA (UK) 315. The new and revised requirements also strengthen our responsibilities related to professional scepticism, planning and performing a group audit, two-way communications between the group auditor and component auditors, and audit documentation. These changes are to encourage proactive management of quality at the group engagement level and the component level; reinforce the need for robust communication and interactions during a group audit; and foster an appropriately independent and challenging sceptical mindset.

Scope of audit work to be performed over a component’s financial information - Forvis Mazars will, going forward, determine the scope of work to be performed over a component’s financial information on a group audit using the definitions set out below:

Full scope	Specific scope	Group Engagement Team Instructed Procedures
Designing and performing audit procedures on the entire financial information of a component.	Designing and performing audit procedures on one or more specified account balances, classes of transaction, and/ or disclosures of a component.	Performing specified audit procedures, as designed and instructed by the group engagement team.

Contact

Forvis Mazars

Michael Speight

Director

Tel: 07881 283 571

michael.speight@mazars.co.uk

Forvis Mazars LLP is the UK firm of Forvis Mazars Global, a leading global professional services network. Forvis Mazars LLP is a limited liability partnership registered in England and Wales with registered number OC308299 and with its registered office at 30 Old Bailey, London, EC4M 7AU. Registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales. Details about our audit registration can be viewed at www.auditregister.org.uk under reference number C001139861. VAT number: GB 839 8356 73

© Forvis Mazars 2024. All rights reserved.

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 3 June 2025



**FINANCIAL GOVERNANCE REFLECTION/
UPDATE**

PAPER I

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 3 June 2025



D&A College Reflections and Self-Evaluation Following University Financial Issues

1. Background

In late 2024, a significant funding shortfall was identified at University of Dundee. A c. £30m deficit was identified and following this, the University has been forced into immediate emergency action to stabilise its finances. With the similarities in core business and funding methods / models between the two institutions, Dundee & Angus College Senior Leadership Team felt it prudent to undertake a reflection and self-evaluation of practices and issues arising from the detailed parliamentary scrutiny of the Dundee University finances and related governance.

This self-evaluation is designed to support the Senior Leadership Team and Board of Management of the College to understand and assess the processes and approaches in place around financial management and financial governance to identify potential areas of risk, and to assess opportunities for learning and action.

The information in this paper will be discussed with both the Finance and Property and the Audit and Risk Committees.

2. Approach Adopted

This document is split into self-evaluation themes, linked to the current understanding of events that have underpinned the situation that has emerged at University of Dundee. Whilst this is a live and ongoing situation, it is being used as a case study to consider our own practice and approaches at D&A with a view to identifying actions and areas for development, as well as any strengths in approach which we would look to continue or adopt in any future activity as appropriate.

It is important to note that the reflections undertaken are approached solely from a College perspective and that any areas identified for review do not necessarily reflect the reality of the situation that has emerged at Dundee University. These are preliminary College reflections only.

Where there are other elements that would be useful to consider as a result of this work, (whether or not they occurred in exactly the way reported as part of the University of Dundee situation) they will be included in this ongoing exercise. This is likely to include tertiary sector wide points arising following publication of [the independent investigation being led by Professor Pamela Gillies](#).

This evaluation and associated action plan will be regularly reviewed by the Senior Leadership Team and reported to the Finance and Property Committee.

3. Self-Evaluation

The key themes for evaluation broadly group external and internal factors involved in the emerging situation, each broken down into further components determined through the detailed parliamentary scrutiny undertaken of senior university staff.

These sub-categories have been reviewed utilising evaluative statements and drawing on the information and evidence available within Dundee and Angus College to assess practice against the issues raised and identify where there may be a need for further work to strengthen College arrangements.

Planned actions arising from the evaluation are noted **in purple** within the sections and, as information and arrangements are completed, will be developed into a 'SMART' action plan.

These actions will be built into the financial management and reform work currently being undertaken by the Director of Finance and progress reported through future Finance and Property Committee meetings.

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 the following risk within the Strategic Risk Register.

- 1.3 Difficulties or over commitment arising within large scale/national College led initiatives or projects impact negatively on:
 - Ability of the College to meet key regional strategies/objectives
 - Financial loss or unmanageable financial risk
 - Reputational loss
- 2.2 Failure to achieve institutional sustainability
- 2.6 Demands of capital developments / maintenance impacts on financial sustainability or delivery of learning and/or services
- 3.7 Industrial Relations Problems (including industrial action)

Author: Nicky Anderson, Director of Finance and Steve Taylor, Vice Principal

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

External Challenges for Dundee University:	Questions/comments/thoughts	Risks/questions/considerations for Dundee and Angus College?	D&A Reflection / Action
Cross subsidy with international tuition fees closing their funding gap	Did their financial strategy and budget include plans for closing a gap arising through lower than planned recruitment of fee paying students?	What are our international student fee levels? Any risks with specific countries? What are our cross-subsidy risk areas?	D&A Overseas fees are relatively small with minimal annual targets set. Student numbers are identified within activity reporting & assumed fee levels to be identified more clearly within budget monitoring
Changes in immigration policy/visa regulations had negative impact on international student recruitment	Were they horizon scanning and bringing that learning into their governance reporting? Currency value issue was noted but not taken forward into clearer planning for drop in number of students from that country	What horizon scanning do we carry out? What horizon scanning should we carry out?	As above
Inflation			We will budget more clearly for known significant inflation areas and clearly document our assumptions
National Insurance increase			Scenario planning and active monitoring on potential areas of costs increases are included as part of budget development. We will budget for known significant inflation areas and clearly document our assumptions
Government, Cabinet and Minister / MSP understanding of how HE / education works, the role of governance / Boards and the funding models / constraints the sector/s work in	Committee questions showed a lack of operational knowledge regarding mechanisms, funding and processes	This would likely be the same situation for us – colleges are possibly even less well understood in comparison to unis	Continue to engage with key Government stakeholders through a range of opportunities to explain challenges; purposefully engage with stakeholders to discuss and explain impacts and needs.
Inadequate financial discipline and control	How do we ensure transparency? Significant improvements made, but how do we keep appropriate level of scrutiny at SLT and Board levels?		Budget planning and monitoring arrangements in place with discussion on variances and remedial action as required. Improvements in budgeting process and regularity / clarity of monitoring are being progressed.

External Challenges for Dundee University:	Questions/comments/thoughts	Risks/questions/considerations for Dundee and Angus College?	D&A Reflection / Action
Poor investment decisions, including digital decisions	Business cases? What was their mechanism for decisions and monitoring?	What are our mechanisms for investment/business cases/decision records?	<p>Major investment decisions are considered at SLT and approval by Committee or Board above clear minimal thresholds.</p> <p>All infrastructure projects above defined thresholds are subject to post project evaluation.</p> <p>Infrastructure project management arrangements in place with clear escalation of issues / changes to full SLT.</p> <p>Board governance arrangements to be developed to support major infrastructure developments.</p>
Weak compliance in financial control			Improvements in budgeting process and regularity / clarity of monitoring are being progressed
Lack of accountability	Role for SLT and Board?	<p>Do SLT all understand the decisions made and rationale for those decisions?</p> <p>Do SLT all own the decisions?</p> <p>Do SLT communicate the decisions and rationale for decisions consistently?</p> <p>Do we have a culture of positive challenge?</p>	<p>Budget holders and support staff know their responsibilities around budget management. Cultural change to fully own it.</p> <p>Clear rationale for budgets & understanding of budget assumptions and judgements so that variances can be explained and understood.</p> <p>Decision rationale and decision log for key SLT decisions.</p> <p>Improvement in communications of Committee/Board, decisions and rationale to be enacted within SLT meetings to ensure full SLT awareness.</p>
Inadequate oversight at Executive and Court levels of financial position, not least in ensuring strategic ambitions were underpinned by financial rigour.	Were Finance Committee and Audit Committee robust enough in their questions?	Do Committee and Board and SLT get the financial and operational information they want and need?	<p>Budget planning and monitoring arrangements in place with discussion on variances and remedial action as required.</p> <p>Management Accounts presented for discussion on monthly basis at SLT and quarterly at each F&P and Board meeting</p>

External Challenges for Dundee University:	Questions/comments/thoughts	Risks/questions/considerations for Dundee and Angus College?	D&A Reflection / Action
			<p>Further discussion / updating on the key financial info SLT want and need is in finance improvement plan & on SLT agenda.</p> <p>Finance for non-financial managers training for SLT</p>
Did not address longstanding challenge of structural deficit caused by an imbalance in the university being very research intensive & being cross subsidised by international student fees	What do their Financial Strategy and Action Plans say?	How do we ensure good decision making at all levels about our focus and core business?	<p>3-to-5-year budgeting and Financial Strategy are part of our budget setting process.</p> <p>D&A history of longer-term financial planning and sustainability.</p>
Lack of discipline on following through on savings decisions	Monitoring and reporting on savings/efficiencies progress	<p>How do we monitor efficiencies progress? SLT</p> <p>How long range should our planning be? Can we find a way to balance speed with planning if we needed to?</p>	<p>All savings plans have named SLT lead with feedback on process and outcomes to SLT, Board and wider College.</p> <p>Ensure efficiencies progress and financial implications included in budget monitoring reporting.</p>
<p>Was not appropriate oversight or challenge at Executive and Court level – Executive and Court “can only make decisions on the basis of the information you are given” and “dealt with the info they had”.</p> <p>“We were asking questions and told it was fine, and we had a high degree of confidence we could balance the budget”.</p>	Scrutiny and challenge – robust?	Do we have the culture where we can challenge, trust, respect and be assured of what we need? Would all the people that need to be able to do this feel comfortable and able to challenge and scrutinise?	<p>Financial training for non-financial managers to be scheduled.</p> <p>Training on other key SLT remits for non-specialists to also be provided</p>
Gaps in competence at leadership level	Whether the investigation reveals deliberate attempts to hide issues or not, the question still needs to be asked of any SLT / Exec / Board as this is effective leadership and governance		<p>Financial training for non-financial managers</p> <p>Training on other key SLT remits for non-specialists to also be provided</p>

External Challenges for Dundee University:	Questions/comments/thoughts	Risks/questions/considerations for Dundee and Angus College?	D&A Reflection / Action
Top post graduate student numbers dropped by two thirds over 2 years – Had a serious impact on international student numbers	Were they monitoring year on year trends? Were they building this into governance, risk management and decision making? Were operational trends linked to financial reporting?	Are there any other data sets we should analyse?	Key student application and recruitment data provided to and discussed at SLT alongside remedial steps being taken to deliver on targets. Information provided and highlighted to LT&Q Committee and Board. Activity issued highlighted as key risk area to A&R where required. <i>All SLT members to be tuned into wider impacts of changes in student (and other) activity. Link in year between operational and financial monitoring.</i>
Planned for 25% reduction in international student income but Dundee Uni actual closer to 50%	How was this monitored and reported? Timeline on taking action seems to be a real issue – is this down to playing down / fear of speaking out?		As above. <i>We will clearly document our budget setting assumptions so that SLT understands them and the reasons for in-year variances</i>
Budget predicated on a large amount of savings being delivered that were then not delivered. Member – “we were not kept in the loop as to whether they (savings) were going to be delivered”.	Savings/efficiencies operational performance linked to financial monitoring? We have a strong track record of following through on considered and consulted savings plans		Strict monitoring of savings/efficiencies assumptions in budget. All savings plans have named SLT lead with feedback on process and outcomes to SLT, Board and wider College.
July 23 cash balance £74m; July 24 cash balance reduced by £30m	Not watching cash balance / trends	A number of people must have been able to see this rapid change – why did no one raise it, or no one listen / pass concerns on?	Cashflow data and forecasts included in management accounts with discussion on variances and remedial action as required. Management Accounts shared for discussion on monthly basis at SLT and each F&P and Board meeting <i>Further discussion / updating on the key financial info SLT want and need is in finance improvement plan & on SLT agenda</i>

Governance/Scrutiny	Questions/comments/thoughts	Risks/questions/considerations for Dundee and Angus College?	D&A Reflection / Action
“False assumption we were breaking even when we were well-off break-even position”	Not watching outturn projections / looking at trend	Balance of knowledge and individual responsibilities – training across the org as needed so everyone understands their role	<p>Budget planning and monitoring arrangements in place with discussion on variances and remedial action as required. Management Accounts shared for discussion on monthly basis at SLT and each F&P and Board meeting.</p> <p>Committee and Board metrics show key areas of operational and financial activity in single report.</p> <p>Further discussion / updating on the key financial info SLT want and need is in finance improvement plan & on SLT agenda.</p> <p>Financial training for non-financial managers to be scheduled.</p> <p>Training on other key SLT remits for non-specialists to also be provided</p>
“We were concerned student numbers were dropping but robustly assured the path for growth was right” and “we accepted assurances we were still going to break even”	Levels of authority / trust in decision making – when to speak out - sounds as though challenges were rebuffed. What’s the recourse when that happens?		As above
“We were shown numbers where savings <i>were going to come in</i> across the organisation”	Suggests budget included spend for which savings had not yet been realised?		<p>Strict monitoring of savings / efficiencies assumptions in budget.</p> <p>Details as above.</p>

Governance/Scrutiny	Questions/comments/thoughts	Risks/questions/considerations for Dundee and Angus College?	D&A Reflection / Action
It was public information in 2023 that Nigerian currency dropped by 70% - why were these questions not asked? “You are not employed just to listen to the Finance Director, you have wider experience” “We were always assured there were compensatory savings which were going to finance this.”	Suggests lack of horizon scanning - Though it was noted the finance committee did know the Nira value had plummeted but there was a false belief other actions (i.e. savings) would compensate – it was discussed but was the focus / discussion right?		Horizon scanning – built into & inform operational, financial and risk monitoring. <i>Data and assumptions underpinning key operational and financial plans is clearly documented and regularly reviewed</i>
VPs would regularly attend Court, and that practice stopped in October 2023 when court received input from a limited set of people – (Principal, Depute Principal, Dir of Finance and Dir of HR - VP International Students did not attend.	Committee questioned if deliberate attempt to minimise scrutiny Professor O'Neill noted he was the only one still left from this group, but the Director of HR was there throughout.	Need right people in the right meetings focusing on the right things – we speak about opening up SLT but rarely do in practice. Something to consider for themed discussions and other topics. Senior leaders did not know why the decision was made to lock down Court attendance to fewer people. - Are we sure we all understand decisions and the rationale for them and feel safe to constructively challenge. Governance - Do we all know/understand what decisions should be made by whom/where?	Board Committee structure includes key SLT members in all Committees. Attendance of other key staff at Board where there are reports to be considered. Board are aware of, and practice constructive challenge, with this reviewed externally every 3 – 5 years and subject to Board evaluation.

Risk Management	Questions/comments/thoughts	Risks/questions/considerations for Dundee and Angus College?	D&A Reflection / Action
<p>Dundee Uni Key Risks</p> <ol style="list-style-type: none"> 1. Cyber 2. Student experience 3. Staff experience 4. Research excellence 5. Financial sustainability <p>Committee commented surprise Student recruitment was not a top risk and challenged SFC review of this.</p> <p>Committee also commented that the top risk on Risk Register is Cyber Security, not insolvency, even though Uni is now saying they are at risk of insolvency if they do not get liquidity funding</p>	<p>Suggests lack of regular risk management</p> <p>Suggests risk management not linked to operational data</p>		<p>Strategic Risk Register is considered at each Committee meeting and in detail at each A&R Committee and 2 x annually by Board.</p> <p>Strategic Risk Register is built from College strategy and key operational requirements, with this informing regular audit plan scoping.</p> <p>Management accounts presented to F&P Committee and Board include specific financial risk register to highlight key risks.</p> <p>Consider if we link risk management with operational and financial info well enough and regularly enough</p>
<p>The risk on international student numbers was “green until it went red”.</p>			<p>Student recruitment and activity data is shared with LT&Q and Board for transparency.</p> <p>Risk register update reports are shared biannually with the Board for transparency.</p> <p>Student numbers should be identified within activity reporting & assumed fee levels clear within budget monitoring</p>

Communication and Engagement	Questions/comments/thoughts	Risks/questions/considerations for Dundee and Angus College?	D&A Reflection / Action
Recovery plan written with financial lens only – need to look more holistically & involve stakeholders	Notably different to how we approach things	Holistic communication, engagement and decision making	D&A Approach utilises key guiding principles to avoid 'finance lens only' approach. Guiding principles shared as part of savings exercises & discussed with unions.
Staff and union engagement – no co-design / co-production of recovery plan	It seemed that risk of sharing too much or being met with anger / resistance meant a smaller group made recovery plans etc., which may seem an easy short term solution but it probably even means the plan isn't as robust as it could be long term, and in a large organisation there is distrust, concern, reduction in good will and loyalty.	Staff are involved in design and production – College communication and engagement is high/positive	As above. Savings planning incorporates open consultation arrangements for all staff including anonymous options where preferred. Clear arrangements in place for union consultation and engagement. Previous examples elicited significant engagement and ideas to enhance options/approaches.
Senior staff in institution feel that decisions are locked down and feel it is still that way.	LDF are saying they 'need SLT in every decision' – levels of autonomy and decision making has been a theme of this group's discussion	How do we support leaders to make appropriate decisions? Is too much or too little controlled by certain people? Broader autonomy can mean more mistakes / greater risk, but neither are we in the business of creating fall guys.	As above
Staff concerned there is a culture that they cannot raise issues	Will look at Whistleblowing policy and mechanisms for raising issues, trying for a culture of openness and transparency	Culture of safety? Being heard? Could we be in a position where people don't feel they can 'raise their heads above the parapet'?	As above
Senior Accountants knew there were issues – how were issues raised?	What is the mechanism for channelling issues or queries from subject matter experts to others?	Is expertise valued or is there is risk of 'junior' people in the organisation (despite being the 'expert') being treated different due to level, not expertise?	College operates an open door approach with open opportunities to raise concerns or provide feedback by any member of staff through the consultation inbox or anonymous hotline.

Communication and Engagement	Questions/comments/thoughts	Risks/questions/considerations for Dundee and Angus College?	D&A Reflection / Action
<p>Committee asked, 'how many people' (headcount) affected by 632 FTE at risk number.</p>	<p>This was answered really poorly in Committee. Despite the 632 number being specific, they could not articulate that as it is unknown which jobs / who is at risk, they cannot put a headcount on it. This was iterated in the follow up letter to Committee, however it is evident they have identified job roles as they mention 'not clear who will go from the redundancy pools'. This communication is being handled poorly internally, some teams believe they have a date on which they'll be told if they have a job, other teams don't have a date / haven't been told anything like that.</p>	<p>The approach D&A has taken in proactive and early communication, briefing LMs and individuals prior to sharing numbers affected etc., and being up front about the areas being looked at, then following up with consultation is a far better approach.</p>	<p>This data is not usually available at the start of the consultation period as FTE and headcount will change depending upon final decisions and VS applications.</p>

SFC	Questions/comments/thoughts	Risks/questions/considerations for Dundee and Angus College?	Action
SFC have monthly monitoring information now, rather than quarterly from Dundee Uni			Prepare for presenting monthly monitoring or other regular financial data to SFC if and when required
SFC now attend Court, Finance and Property Committee and Audit Committee			
SFC commissioning independent review of all Uni and College Governance Effectiveness Reviews to identify and red flags	SFC had better engagement with unions than uni staff, and provided better answers on TOR development than uni staff	Where might ours flag something? All SLT to have an awareness of content / discussions relating to this?	Recently published review (December 2024) highlights positive mix of support and challenge, including Board approach to questioning and transparency/accuracy of SLT responses.
SFC meet quarterly with institutions and have other ways to challenge when issues arise e.g. Observing Court & committee meetings, undertake investigations, ask for remedy and action plan if financial regs breached and can work with OSCR and Institution of Charities to bring their powers to bear. Will bring in bespoke way to address an institution's issues. SFC have powers of intervention and regulatory powers.			Might expect quarterly / regular finance meetings with SFC. Prepare for engagements on basis as determined by SFC.
SFC looking to do "Hot Reviews". Will commission independent teams to do in-year hot reviews.		What might our hot review results say?	Prepare for engagements on basis as determined by SFC.

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 3 June 2025



STRATEGIC RISK REGISTER

PAPER J

- (i) RISK REGISTER UPDATE**
- (ii) STRATEGIC RISK REGISTER**

BOARD OF MANAGEMENT

Audit and Risk Committee

Tuesday 3 June 2025



Strategic Risk Register Update

Paper for approval

1. Strategic Risk Register

A copy of the June 2025 draft Strategic Risk Register is enclosed. This is noted for approval.

2. Proposed Additional Risk

As outlined in respect of item 7.1 on the agenda, a request was made at the March 2025 meeting of the Audit and Risk Committee to consider inclusion of a risk in respect of the College's aspirational standards in financial planning, budgeting and audit.

This risk is presented as a draft and has been discussed with the Finance and Property Committee.

3. Tertiary Sector Financial Governance

As members of the Audit and Risk Committee will be aware, a significant funding shortfall was identified at the University of Dundee in late 2024. A c. £30m deficit was identified and following this, the University has been forced into immediate emergency action to stabilise its finances.

Given the severity of the situation that arose an independent investigation into the circumstances and governance surrounding the situation has been ordered. It is expected that the Scottish Government and Scottish Funding Council will use the outcomes of this investigation to strengthen financial governance within the sector and is likely to seek additional information and assurances from tertiary sector institutions in respect of financial governance.

With the similarities in core business and funding methods / models between the two institutions, Dundee & Angus College Senior Leadership Team felt it prudent to undertake a reflection and self-evaluation of practices and issues arising from the detailed parliamentary scrutiny of the Dundee University finances and related governance.

This self-evaluation is designed to support the Senior Leadership Team and Board of Management of the College to understand and assess the processes and approaches D&A has in place around financial management and financial governance to identify potential areas of risk, and to assess opportunities for learning and action.

This report was discussed at the Finance and Property Committee meeting on 27 May 2025 and will continue to be reviewed and updated as further information becomes available to ensure that D&A meets all financial governance requirements and to ensure that risks around financial management and future financial sustainability are minimised.

Further details on any changes in financial governance arising from the current SFC work will be confirmed once known.

4. Financial Sustainability Risk

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

Following the decision of the Board of Management in March 2022 to recommend increasing the post mitigation risk in respect of future financial sustainability, the post mitigation likelihood was increased from 3 to 4 and the overall risk rating increased to 16. This moved this risk into the Major Risk (**Red**) category, and it is unlikely that this risk will be reduced in the near future.

The need to address the impact of cuts in sector funding, and the need to support areas of future opportunity and development, have been the subject of on-going discussion and review with the Board and has underpinned a range of savings plans and measures, including the current proposals within specific College services.

The appropriate core business, HR and financial plans and approaches underpinning the papers and progress around the current proposals have been discussed at the Human Resource & Development; and Finance & Property Committee over recent weeks and further information will be shared with the Board on 17 June.

The most recent 2024/25 budget monitoring report forecasts a small and manageable deficit for the current year.

The draft budget for 2025/26 has proven challenging and is currently forecasting a more significant deficit position. Further work on this will progress with the aim of bringing this back into a breakeven or close position.

The activities developed to address the funding cuts and financial sustainability risk cut across a range of areas, and arrangements are in place to support arrangements and minimise adverse risk in areas such as HR practice and industrial relations (Risks 3.3 and 3.7) and PR / publicity (Risk 3.5). These will remain under review, with the overall risk rolled into the higher level Financial Sustainability risk measure.

5. Reinforced Autoclaved Aerated Concrete (RAAC) Risk

An update on the most up to date picture regarding the RAAC present within the Kingsway Campus was shared with the Board in December 2024, with the RAAC present within the Kingsway tower and Construction/Engineering facilities continuing to represent a significant concern. All required mitigations remain in place relative to the specialist structural engineering advice received and outline plans are in place should any subsequent change in advice limit the use of accommodation.

Updates have also been shared with the Board on the future infrastructure vision for the whole College estate, including future developments to remove RAAC from our estate. A further update will be provided at the next Board meeting.

6. Approvals

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

- Consider and approve or otherwise the proposed changes to Risk matrix scoring to reflect Risk Appetite.
- Note the updates provided and approval of the Strategic Risk Register

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



STRATEGIC RISK REGISTER

2024 - 2025

As at June 2025

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	1	4 ↔	<ul style="list-style-type: none"> Robust monitoring via OF&AM Framework Clear performance metrics Amendment of strategic direction/ plans Rolling curriculum review 	Principal & Chair
1.2 Board	College may be disadvantaged by changes to either UK or Scottish Government policies	4	3	12	<ul style="list-style-type: none"> Effective environmental scanning Negotiation/influence at national level 	4	2	8 ↔	<ul style="list-style-type: none"> Review of changes and amendment of strategic direction/plans Financial strategy sensitivities 	Principal & Chair
1.3 Board	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

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Blue (1-3) = Minor Risk; Green (4 – 8) = Moderate Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk. Board Risk Appetite for the above risks is assessed as Open with risks scored as major being subject to regular scrutiny and risks scored as fundamental subject to review at every meeting.

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 (cont)									
1.4 Board	College disadvantaged as a result of changes arising from major national educational body reviews: SFC, SQA, EdS	3	3	9 ↔	<ul style="list-style-type: none"> Negotiation/influence at national level Review of activities/projects and response to new opportunities 	3	1	3 ↔	<ul style="list-style-type: none"> Robust monitoring via OA Amendment of strategic direction/plans Rolling curriculum review 	Principal
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 	3	2	6 ↔	<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

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Blue (1-3) = Minor Risk; Green (4 – 8) = Moderate Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk. Board Risk Appetite for the above risks is assessed as Open with risks scored as major being subject to regular scrutiny and risks scored as fundamental subject to review at every meeting.

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
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	2	8 ↔	<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

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Blue (1-3) = Minor Risk; Green (4 – 8) = Moderate Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk. Board Risk Appetite for the above risks is assessed as Open with risks scored as major being subject to regular scrutiny and risks scored as fundamental subject to review at every meeting.

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
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	3	3	9	<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 	2	2	4 ↔	<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	4	4	16 ↔	<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 	4	3	12 ↔	<ul style="list-style-type: none"> Monitoring of capital plans and expenditures Regular review of capital plans/timescales relative to funds 	VPSO

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Blue (1-3) = Minor Risk; Green (4 – 8) = Moderate Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk. Board Risk Appetite for the above risks is assessed as Open with risks scored as major being subject to regular scrutiny and risks scored as fundamental subject to review at every meeting.

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
2	Financial (cont)									

2.7 F&P	Failure to reach aspirational standards in financial strategy, budgeting, planning or audit	4	3	12	<ul style="list-style-type: none"> Clear financial strategy aligning to College priorities and FFR Rigorous zero based budgeting in place Regular, timeous and accurate budget monitoring supports decision making Effective audit planning and completion 	2	2	4 ↔	<ul style="list-style-type: none"> Regular review of financial priorities to align / realign with available funds Comprehensive monitoring and reporting of income and expenditure 'Real time' budget and data analysis underpins clear audit reporting. 	VPSO DirFin
------------	---	---	---	----	--	---	---	--------	---	----------------

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Blue (1-3) = Minor Risk; Green (4 – 8) = Moderate Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk. Board Risk Appetite for the above risks is assessed as Open with risks scored as major being subject to regular scrutiny and risks scored as fundamental subject to review at every meeting.

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
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 	2	2	4 ↔	<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

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Blue (1-3) = Minor Risk; Green (4 – 8) = Moderate Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk. Board Risk Appetite for the above risks is assessed as Open with risks scored as major being subject to regular scrutiny and risks scored as fundamental subject to review at every meeting.

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
3.3 A&R	Legal actions; serious accident; incident or civil/criminal breach	4	4	16	<ul style="list-style-type: none">Adherence to legislative and good practice requirementsPositive Union relations and staff communicationEffective management development programmes	3	2	6 ↔	<ul style="list-style-type: none">Monitoring and reporting in key areas – eg H&S, equalities, employee engagementContinuous professional developmentInternal audit programmeStaff surveys	Prin, VPSO, HoE	

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Blue (1-3) = Minor Risk; Green (4 – 8) = Moderate Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk. Board Risk Appetite for the above risks is assessed as Open with risks scored as major being subject to regular scrutiny and risks scored as fundamental subject to review at every meeting.

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
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	4	4	16	<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	2	8	<ul style="list-style-type: none"> Marketing strategy Reputation plan Positive marketing approaches 	3	2	6 ↔	<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

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Blue (1-3) = Minor Risk; Green (4 – 8) = Moderate Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk. Board Risk Appetite for the above risks is assessed as Open with risks scored as major being subject to regular scrutiny and risks scored as fundamental subject to review at every meeting.

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
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 requirementsPositive Union relations and staff communicationEffective management development programmesIndustrial action continuity planning	4	2	8 ↔	<ul style="list-style-type: none">Regular union/management dialogueRegular employee engagement monitoringOpen communication with staffIndustrial action continuity planning	VPSO
3.8 A&R	Significant Breach of data security / data protection	5	4	20	<ul style="list-style-type: none">Effective management of GDPR complianceMandatory 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 auditingEffective information and data security policies in operationRegular data security monitoring/testingGDPR Action PlanStaff CPD	VPCP, DirInf
3.9 HR&D	Failure to meet Prevent and related obligations	5	3	15	<ul style="list-style-type: none">Prevent trainingStaff awareness and contingency planningEngagement/practice sharing with local agencies	5	1	5 ↔	<ul style="list-style-type: none">Business Continuity Plan including scenario testingInformation sharing with local agencies	VPCP, VPSO

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Blue (1-3) = Minor Risk; Green (4 – 8) = Moderate Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk. Board Risk Appetite for the above risks is assessed as Open with risks scored as major being subject to regular scrutiny and risks scored as fundamental subject to review at every meeting.

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
3	People and Performance (cont.)									
3.10 HR&D	College arrangements do not minimise risk associated with Modern Slavery	4	2	8	<ul style="list-style-type: none"> Clear and compliant procurement arrangements and procedures Staff identity checking arrangements and use of PVG. 	3	1	3 ↔	<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	3	15	<ul style="list-style-type: none"> Monitoring and rapid response to WHO and UK/Scottish Government information and alerts Maintenance of COVID-19 good practice approaches to inform future use Effective business continuity planning in place 	4	2	8 ↔	<ul style="list-style-type: none"> Pandemic readiness / response included in business continuity plan reviews and testing COVID/Pandemic Response Group in place Active monitoring and rapid adoption of pandemic guidance / control measures 	Principal

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Blue (1-3) = Minor Risk; Green (4 – 8) = Moderate Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk. Board Risk Appetite for the above risks is assessed as Open with risks scored as major being subject to regular scrutiny and risks scored as fundamental subject to review at every meeting.

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
3	People and Performance (cont.)									
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

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Blue (1-3) = Minor Risk; Green (4 – 8) = Moderate Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk. Board Risk Appetite for the above risks is assessed as Open with risks scored as major being subject to regular scrutiny and risks scored as fundamental subject to review at every meeting.

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										

4.1 A&R	Major Disasters – eg Fire, MIS Failure, Failure of Emergency Procedures, RAAC or similar infrastructure failure	5	3	15	<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 	3	2	6 ↔	<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: Blue (1-3) = Minor Risk; Green (4 – 8) = Moderate Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk. Board Risk Appetite for the above risks is assessed as Open with risks scored as major being subject to regular scrutiny and risks scored as fundamental subject to review at every meeting.

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 F&P	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	5 4	20	<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 	4 3	4	16	<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
------------	---	---	--------	----	---	--------	---	----	---	----------------

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Blue (1-3) = Minor Risk; Green (4 – 8) = Moderate Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk. Board Risk Appetite for the above risks is assessed as Open with risks scored as major being subject to regular scrutiny and risks scored as fundamental subject to review at every meeting.

BOARD OF MANAGEMENT

Audit & Risk Committee

Tuesday 3 June 2025



DATE OF NEXT MEETING

**Tuesday 16 September 2025 at 5:00pm in Room K-TO-624,
Kingsway Campus**