AUDIT COMMITTEE MEETING

MINUTE OF MEETING HELD ON 19 SEPTEMBER 2023 AT 16:00 VIA TEAMS

Present:		
Gillian Brydson (Chair)	William Dowson (WD)	Jamie Ross (JR)
Ann Hill (AH)	Malcolm MacLeod (MM)	
In attendance:		
Caroline Stuart (CS)	Michael Gibson – RSM (MG)	Calum Rodgers (Item 6.4)
Douglas Dickson (DD)	Joe McGraw (JM)	Alexandra Elkins (note taker)
Lorraine Grierson (LG)	Karen Hunter (KH)	
Apologies:		
Joanna Campbell (JC)	Sue Irving (SI)	

1.   Welcome and Apologies for Absence | Verbal | G. Brydson

1.1.   The Chair welcomed everyone to the meeting which was recorded as quorate. It was agreed to discuss item 6 and 7 immediately after item 2.2 due to the availability of officers. Introductions were made for the benefit of J McGraw, Vice Principal People and Transformation who joined the meeting for the first time. J. Ross would join from 4:30pm.

1.2.   Apologies were noted as above.

FOR APPROVAL

2.   Minute of the Last Meeting 13 June 2023 | Paper 2.2 | Approval | G. Brydson

2.1.1.   The minute of the last meeting was approved as an accurate record with no changes.

2.2.   Action Log | Paper 2.2 | Paper 2.3 | Approval | L. Grierson

2.3.   3 actions remained open and the following updates were noted: -

> ➢   Item 4 – The Risk register would remain open following agreement for review at the next BOM Strategy event in May 2024.

> ➢   Item 5 – Delay to the completion of the HR policy was due to NJNC agreement and an update will be provided at the next meeting.

> ➢   Item 6 – Business Continuity Plan - An update will be provided at the next meeting.

2.3.1.   **The Committee approved the Action Log.**

FOR DISCUSSION

3.   **Internal Auditor Reports**

       Annual Summary Report | Paper 6.1 | M. Gibson – RSM

3.1.1.   The annual report providing an overview of the completed audit activity relating to Governance, Risk and Control with an **overall positive opinion rated at yellow-green**.

3.1.2.   It was noted that most audits had provided a positive opinion…

3.1.3.   **The Committee noted and accepted the Annual Summary Report.**

3.2.   **Progress Report | Paper 6.2 | M. Gibson – RSM**

3.2.1.   A summary of completed audits was provided. With prior agreement, the Business Continuity Audit had been included in the audit plan for AY2023/24.

3.2.2.   A query was raised regarding lack of communication between departments of the college and monitoring of follow up actions in relation to cyber awareness particularly the phishing exercise. …...

3.2.3.   A concern was raised on the visibility of channels of communication and gaps in staff training on HR systems.

3.2.4.   …

3.2.5.   …

3.2.6.   **The Committee noted the Progress Report.**

3.3.   **Follow Up Report | Paper 6.3 | M. Gibson – RSM**

3.3.1.   It was noted that the College has demonstrated good progress in implementing agreed management actions.

3.3.2.   **The Committee noted the Follow Up report.**

3.4.   **Cyber Security Report | Paper 6.4 | M. Gibson – RSM**

3.4.1.   Confidential to members only. C Rodgers joined the meeting at 1630 hrs. J Ross joined the meeting at 1634 hrs

3.4.2.   …

3.4.3.   …

3.4.4.   …

3.4.5.   **The Committee noted the Cyber Security report.**

3.4.6.   CR left the meeting at 4:49pm

3.5.   **HR Processing Report | Paper 6.5 | M. Gibson – RSM**

3.5.1. The audit had been undertaken to determine that adequate systems and processes were in place to manage HR and a **positive yellow Reasonable Assurance** had been provided. …

3.5.2. …

3.5.3. The finding relating to delays in signed contracts and ensuring staff PVGs were in place prior to starting work was highlighted. The Committee was assured that delays were short and on rare occasions PVG checks had been risk assessed on a case-by-case basis.

3.5.4. The item on 'non-contractual hours (NCH)' was discussed in particular the monitoring of NCH and budgetary implications. The audit had recommended the introduction of a 'NCH' procedure and it was stated that improvements in the management approval process had already reduced incidents of NCH.

3.5.5. **The Committee noted the report.**

3.6. **Equality, Diversity and Inclusion Report | Paper 6.6 | M. Gibson – RSM**

3.6.1. Following completion of the audit, **positive yellow reasonable assurance** was provided with management actions agreed for completion by the end of March 2024.

3.7. It was confirmed that a review cycle for policies was in place where new policies would be approved via the Board process, however approval for minor changes was undertaken by SLT with changes tracked through the version control.

3.8. A query was raised on some EDI actions and the Depute Principal shared examples of good practice within the College. JM added that the report had been discussed at the recent HR Sub-Committee meeting and he was happy to Chair the EDI Forum. AH requested the Terms of Reference for the HR Sub-Committee.

3.9. **ACTION: LG to forward the TOR to AH.**

3.10. A point was raised regarding the completion of mandatory training by Board members. **ACTION: LG will update Board members appropriately.**

3.11. …

3.12. **The Committee noted the report.**

FOR APPROVAL

4. Strategic Risk Register | Paper 3.1 | Approval | L. Grierson

4.1. There had been no change to the scoring for Risks 4 & 11, which sit with the Audit Committee and an additional mitigation had been added to Risk 4. One change to the description on risk 7 had been agreed at the recent F&GP Committee meeting and following recommendation from Audit Committee, risk owners had been updated on the register. The Committee noted the changes and were invited to comment.

4.2. The Committee discussed the potential risk regarding executive capacity although recent changes within the Executive Team had shown improvement. It was stated that funding issues had impacted on resources and the ability for enhancement and improvement. It was highlighted that the capacity risk was not captured within the risk register. Following

discussion, the Committee acknowledged the capacity issue as a risk and agreed to recommend the item be tabled for discussion at the next Board Development meeting to determine how this will be reported to the Board.

4.3. **ACTION: LG to include the item on Executive Capacity risk for discussion at the next Board Development Committee.**

4.4. **The Committee approved the risk register.**

5.   Risk Management Policy | Paper 3.2 | Approval | D. Dickson

5.1.1. The Committee were asked to approve changes to the policy.

5.1.2. The following amendments were discussed and agreed; Definitions and acronyms of Senior Leadership and Exec Leadership Team to be checked and commentary on Managers responsibilities to be added.

5.1.3. **ACTION: DD to complete a further draft of the Policy.**

5.1.4. **The Committee approved the policy with agreed actions.**

5.2.   Risk Appetite Review | Paper 3.3 | Approval | J. Campbell

5.2.1. The Committee discussed the appetite paper and in particular, Risk 3 - failure to achieve institutional sustainability which was shown as 'averse'. Following discussion it was agreed to change this risk to 'cautious' to support both commercial and curriculum activity.

5.2.2. **The Committee approved the Risk Appetite Review with one agreed action.**

**5.3.   Deep Dive Risk 7
Failure for Effective Industrial relations | Paper 3.4 | Approval | J. Campbell**

5.3.1. It was noted that the College had good local relations with trade unions. …

5.3.2. 'HIVE HR' had been appointed to deliver an All-Staff Engagement Survey and communications around the pay award would continue to highlight constraints. Attendees were invited to comment and further detail of the provision of staff surveys was provided.

5.3.3. The Committee noted the good local TU relations and the impact of national activity.

5.3.4. **The Committee approved risk 7 with no changes.**

6.   Terms of Reference /Self Evaluation | Paper 4.1 | Approval | L. Grierson

6.1. The outcome of the self-evaluation had been circulated and approved in advance of the meeting. The Committee was asked to undertake an annual review of the Terms of Reference and were advised of a change to point 2.1, wording of the quorum and the addition of point 4.5 and 4.7.

6.2. **The Committee approved the changes to the Terms of Reference.**

7.   Appointment of Internal Auditor Process | Paper 5.1 | K. Hunter

7.1. The Committee was asked to consider and approve the proposed Internal Audit Service procurement plan. … The Committee was recommended to use the APUC Framework Agreement for Audit Services and detail of the proposed route to procurement was

explained. Board members were invited to contribute to the recruitment process and WD offered to assist.

7.2.   …

7.3.   **The Committee approved the recommended appointment process.**

8.   Internal Audit Tracker | Paper 7.1 | L. Grierson

8.1.   The Committee noted the Internal Audit Tracker.

FOR INFORMATION ONLY

9.   AOCB

9.1.   None was discussed. The meeting closed at 1820 hours.

10.   Date of the Next Meeting

10.1.   The date of the next meeting is scheduled for Wednesday 29 November 2023 at 1600hrs.

Key

🟧	Ongoing
🟩	Closed
🟥	Overdue

AUDIT COMMITTEE ACTION LOG 19.09.23

No	Meeting Date	Action	Lead	Deadline	Status	Commentary
1	13/6/23	Executive to liaise with RSM re scope for the HR audit.	DD	Sep 23	Closed	Scope for HR Processing Activities has been agreed and audit has been carried out. The Report will be produced and presented to Audit committee in due course.
2	13/6/23	All Risks sitting under the VP Finance and VP People to be assigned relevant owners after the Board Meeting	LG/JC	Sep 23	Closed	The Risk Register has now been updated and risks assigned to relevant owners.
3	13/6/23	Risk Appetite Paper Revised narrative was agreed in relation to the item on Net Zero as well as revised narrative in relation to 'Student experience'; possibly change to 'Student Outcomes'; with narrative expressing a more positive and open approach	JC	Sep 23	Closed	Revised paper submitted to meeting on 19/9/23
4	13/6/23	To ensure the Risk Register reflected the strategic needs of the College, the item is to be included as part of a future strategy event.	LG	May 24	Ongoing	Bd Secretary to liaise with Chair of the Board to include in a future Strategy meeting.

No	Meeting Date	Action	Lead	Deadline	Status	Commentary
5	13/6/23	College Policies ….	JMc	~~Sep 23~~ Nov 23	Ongoing	Will be followed up on the onboarding of the new HR Manager
6	13/6/23	Business Continuity Plan and overarching plan will be brought back to the Committee in due course.	BC	~~Sep 23~~ Nov 23	Ongoing	… are assisting with the contingency plans at present, therefore the BC Plan will be brought to Audit Committee on 29th November, once they are complete.

MEETING	AUDIT COMMITTEE
AGENDA ITEM:	**3**
PAPER NO:	**AUD0923-3.2**

Date	19 September 2023
Location	MS Teams On-line
Title of Paper	Risk Management Policy
Presented By	Douglas Dickson
Recommendation	**Discussion**
Appendix Attached	Yes
Disclosable Under FOISA	YES

Read Time: 5 Minutes

1. Recommendation

1.1. The Audit Committee is asked to approve the changes to the Risk Management Policy.

2.   Executive Summary

2.1   The terms of reference ask that Audit Committee review the Risk Management Policy.

3.   Context

3.1.   The Risk Management Policy was created in 2019 and its purpose is to outline approaches and arrangements in respect of the management, oversight, control, mitigation, evaluation and reporting of risks associated with College operations and activities. The Policy is now due for review.

3.2.   The Policy has primarily been updated to reflect the Strategic Risk framework and reporting to include the 3 lines of defence and risk appetite paper.

3.3.   The Strategic risks are reviewed regularly by the Executive Leadership Team, presented quarterly to relevant committees, Audit Committee and the Board. Audit Committee also undertake a deep dive of specific risks.

4.   Strategic Implications

4.1   Priority 1 – Student Experience, Priority 2 People and Culture, Priority 3 Growth and Financial Sustainability, Priority 4 Systems and Infrastructure

5.   **Risk**

RISK	MITIGATIONS
	As per Strategic Risk Register

6.   Implications

Financial	No	
Legal	No	
Learning and Teaching	No	
Equalities	No	

Douglas Dickson
Depute Principal
10 September 2023

DUMFRIES AND GALLOWAY COLLEGE

Appendix – Risk Management Policy

RISK MANAGEMENT POLICY

Responsibility: College Executive

Issue Date: September 2023

Equality Impact Assessment: September 2023

Version: 2
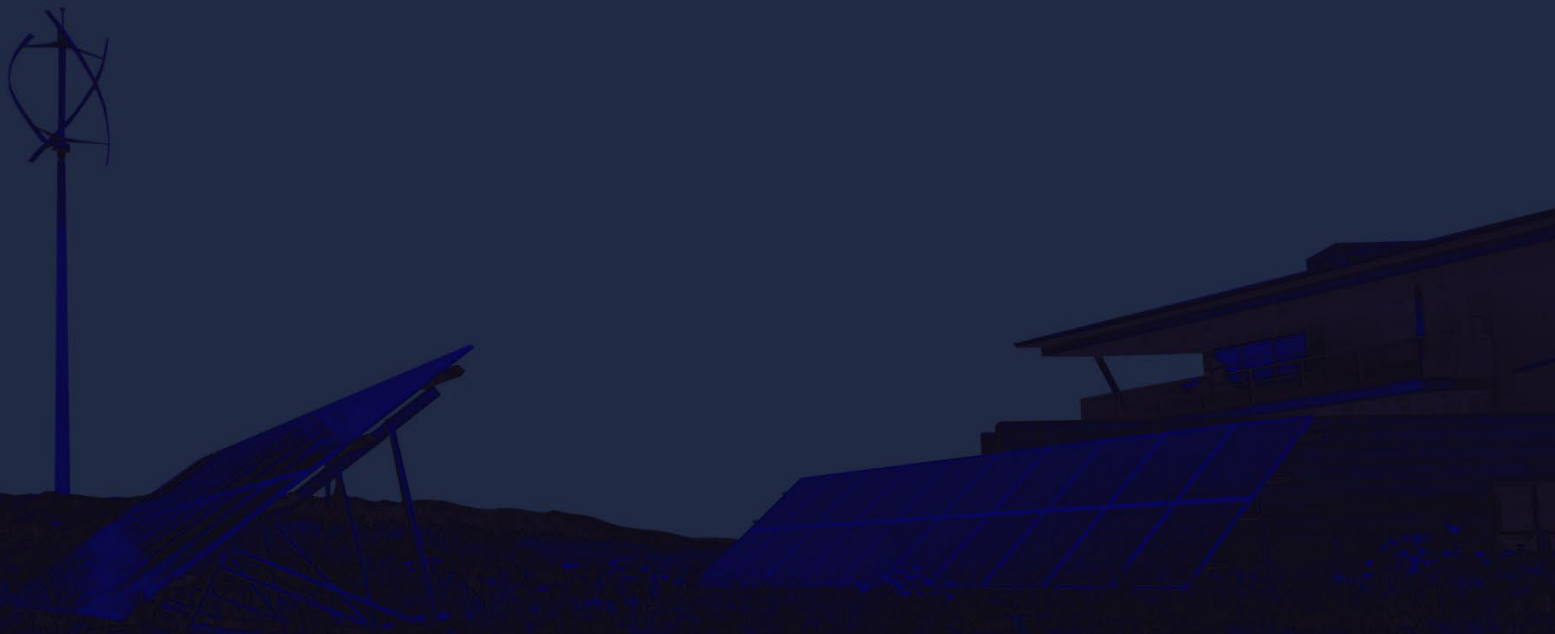
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Risk Management Policy

1.   *Purpose*

The purpose of this policy and related arrangements is to:

- ⌐ Outline approaches and arrangements in respect of the management, oversight, control, mitigation, evaluation and reporting of risks associated with College operations and activities;
- ⌐ Ensure that significant risks are monitored and managed more closely; and
- ⌐ Confirms the roles and responsibilities of the Board of Management, Executive Leadership Team and others in the effective management of risks.

2.   Scope

This policy covers the management of risks related to College activities and operations.

This policy is approved by the Audit Committee of the Board of Management and will be subject to regular review by the Committee in line with College document control and review procedures.

It should be noted that this policy does not cover arrangements in respect of health and safety risk assessment, which is managed under the terms of the College Health & Safety Policy.

3. References

- ⤷ Board of Management Articles and Committee Remits
- ⤷ Code of Good Governance for Scotland's Colleges
- ⤷ Strategic Risk Register
- ⤷ Internal audit schedule and reporting
- ⤷ Business Continuity Plan

4. Definitions

BoM   Board of Management
SLT   Senior Leadership Team
LJNC   Local Joint Negotiating Committee

5.   Responsibilities

5.1 Role of the Board of Management

The Board of Management has responsibility to provide leadership within a framework of effective controls, which enable risk to be assessed and managed.

The Board of Management has responsibility through the operation of the Board and each Board Committee to monitor, challenge and oversee risk management within the College as a whole.

Within these arrangements, it is the responsibility of the Board of Management to:

- Establish the overall culture and ethos in respect of risk and opportunity management within the College.

- Approve major decisions affecting the College risk profile or exposure in accordance with appropriate financial strategy and procedures and agreed delegation limits.

- Annually review the College approach to risk management, risk appetite and approve changes or improvements as necessary.

- Enable the College Executive to discharge their duties in the management of risk.

5.2   Role of the Audit Committee

The Board of Management has delegated responsibility for risk management to the Audit Committee.

The Audit Committee will monitor and report to the Board on internal controls and alert Board members to any significant emerging issues. In addition, the Committee oversees internal audit, risk appetite, external audit and management as required in its review of internal controls.

The Audit Committee will report to the Board, through the Chair of Audit and the availability of Audit minutes, on the effectiveness of the internal control system, including the College system for the management or risk.

5.3   Role of the Executive Leadership Team

As the senior management group of the College, the Executive Leadership Team have overall operational responsibility for the identification, management and mitigation of risk in line with Board objectives and risk appetite.

It is the role of the Executive Leadership Team to provide advice and guidance to the Board in respect of potential and actual risk issues and to implement appropriate risk management and internal controls on an ongoing basis. The Executive Leadership Team will also be asked to provide accurate, timely and clear information to the Board of Management and its Committees to support Board members in understanding and evaluating the status of risks and controls.

6.   Policy

6.1   Identification and Management of Risk

The development of effective risk management arrangements is essential to control and manage the risks that may otherwise threaten the ability of the College to meet its objectives.

Risk management is bound inextricably within the system of internal control that operates across the College. This system encompasses a number of elements that together ensure that effective and efficient outcomes are achieved, allowing the College to respond to strategic and operational risks. These elements include the following:

6.2   Strategic Risk Framework

High-level strategic risks are outlined with a clear risk register. These risks are discussed and approved by the full Board of Management and detailed analysis of the regional operating context for the College.

The Executive Leadership Team –

- Will undertake the ongoing monitoring mitigation of risks significant to the College.
- Ensure the strategic risk register is formally reviewed and if necessary updated and presented to SLT, the Board of Management and BoM Audit Committee.
- Will ensure risks are assigned to a member of the College Executive.

⬧ The risk appetite is reviewed annually by the College Executive and presented to the Audit Committee and Board.

Risks are managed based on a series of risk factors determined by assessment of the likelihood multiplied by the impact of each specific risk -

KEY: ASSESSMENT OF RISKS

Risks which should be monitored by the Risk Management Group: Scores: 1 – 8 Minor Risk
Risks to be brought to the attention of SMT and the Board of Management: Scores: 9 - 15 Significant Risk
Risks to be reported to, and monitored by, Board of Management: Scores: 16 – 20 Major Risk
Risks to be reported to, and monitored by, Board of Management: Scores: 21 – 25 Fundamental Risk

Risk Score Matrix

Impact				
5	10	15	20	25
4	8	12	16	20
3	6	9	12	15
2	4	6	8	10
1	2	3	4	5

Likelihood

Each risk factor is colour coded based on their severity. Each risk uses 3 lines of defence as a risk management framework to manage and mitigate risks effectively. It provides a structured approach to ensure that risk management responsibilities are clearly defined across the College.

The first line of defence covers our front-line employees and operational managers who directly manage and own the risks associated with their day-to-day activities. The second line of defense consists of specialised risk management, compliance, and control functions with the College. Their role is to oversee and support the first line by providing guidance, setting policies and standards, and monitoring compliance with these policies. The third line provides an objective and independent assessment of the effectiveness.

Each risk is assessed and categorised prior to the actions taken to manage the risk and again following assessment of the mitigating actions in place.

6.3   Risk Appetite Framework

In the dynamic landscape the College operates in we face a myriad of challenges and opportunities. To effectively navigate these uncertainties and chart a course towards success, the College uses a crucial tool: the Risk Appetite Framework.

The Risk Appetite Framework serves as a guiding instrument for the College, helping us stay true to our mission and vision. In the context of a college, this framework is a strategic approach to understanding, defining, and managing the level of risk the College and the Board is willing to accept in pursuit of its goals.

The Risk Appetite Framework is reviewed annually by the Executive and presented to the Audit Committee and to the Board of Management for discussion and scrutiny.

6.4   Quality Management System

The College operates a documented quality management system on the College intranet.   This system provides a clear structure of policies, procedures, quality processes and other documentation that underpin the control and review of key College processes and their related risks.

All sections of the quality management system are approved at SLT, consulted on a LJNC where appropriate, with reference to the Board of Management where appropriate.

6.5   Determination and Management of Project-based Risks

Approval of all capital and revenue projects where College contribution is in excess of £250k in value will include the requirement to create and manage specific risk register in relation to the project or activity. This determination and rating of risk must include the following:

- Risks impacting on project/College objectives
- Significant financial and other operational risks
- Reputational or other risks

Project based risk registers may be necessary in other circumstances where the nature of the project or the level of non-financial risk involved warrants this.

6.6   Internal Audit Arrangements

The Board of Management Audit Committee determines and approves a rolling annual schedule of internal audit activities designed to check and test internal

control and risk management arrangements. Analysis and feedback in respect of risk and control issues is used to inform development and prioritisation of this schedule.   The schedule includes the internal audit review of risk management approaches, arrangements and effectiveness.

6.7   External Audit Arrangements

External audit provides feedback to the Audit Committee on the operation of the internal controls reviewed as part of the annual audit requirements specified by the Scottish Government and Scottish Funding Council.

6.8   Annual Report Arrangements

The Board of Management is responsible for reviewing annually the effectiveness of risk management arrangements and outcomes, based on information provided by the independent auditors (internal and external) and the Executive Leadership Team.

To inform this the Audit Committee will consider annually a report produced by the internal auditors that summarises the outcomes of audit activities and provides a clear opinion in respect of the robustness of the internal controls in place and any other significant factors found.

6.9   Business Continuity Planning and Disaster Recovery

The College maintains a business continuity plan providing a framework within which serious incidents or other significant events that may impact on business continuity are managed.

Disaster recovery arrangements are in place in respect of all major ICT systems operated by the College.

6.10   Implementation

To support implementation of this policy all staff with responsibilities under the terms of the policy will receive appropriate guidance, support and training in relation to these responsibilities.

6.11   Review Details

Next review scheduled for: 01.09.25
Responsibility for Review: College Executive and BoM Audit Committee
Union Consultation Required: No

7. Distribution

All Staff
Repository

8. Revision Log

Revision Log		
Date	Section	Description
31.03.22	Throughout the Policy	Amendment to Job Title – Vice Principal Business Development and Corporate Services to Director of Estates and Sustainability
31.03.22	Distribution	Quality Manual changed to Repository
24.08.23	Appendix 1	Equality Impact Assessment added as Appendix 1 as per revised Document Control Procedure
11.09.23	Throughout the Policy	Review of current processes and updating around the 3 lines of defence.
11.09.23	Format	Definitions section added as per revised Document Control Procedure

THIS FORM TO BE UPDATED WHENEVER THERE IS A CHANGE IN ANY SYSTEM DOCUMENT				
Document Name	Document Owner	Revision Number	Date of Issue	Date of Withdraw
Risk Management Policy	Vice Principal Business Development and Corporate Service	1	19.02.2019	
Risk Management Policy	College Executive	2		

Appendix 1: Equality Impact Assessment

Document:	Risk Management Policy
Executive Summary:	This policy is likely to be positive for all protected characteristics and additional considerations as equality and inclusiveness issues are inextricably linked with reputation and legislative compliance, both of which are directly managed by this policy.

Duties:

1: Eliminate discrimination, harassment and victimisation

2: Promote equality of opportunity

3: Promote good relations
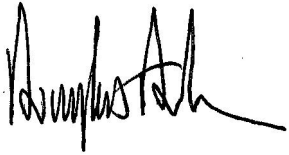
* Human Rights to privacy and family life, freedom of thought and conscience, education, employment

PSED Impacts

	Commentary
Age	It is anticipated that the impact on these characteristics will be neutral.
Disability	
Gender	
Gender Based Violence	
Gender identity/ reassignment	
Marriage/civil partnership	
Pregnancy/maternity	
Religion or Belief	
Race	
Sexual Orientation	

Additional Considerations

Care experienced	It is anticipated that the impact on these characteristics will be neutral.
Carers	
Mental Health	
Socio-economic status	
Veterans	
Human Rights*	

Lead Officer:	Depute Principal - Douglas Dickson		
Facilitator:			
Date initiated:	11/09/2023		
Consultation:			
Research:			
Signature		Date	11/09/23

DUMFRIES AND GALLOWAY COLLEGE

MEETING	AUDIT COMMITTEE
AGENDA ITEM:	**3**
PAPER NO:	**AUD0923-3.1**

Date	19 September 2023
Location	MS Teams On-line
Title of Paper	Strategic Risk Register
Presented By	L Grierson
Recommendation	Approval
Appendix Attached	No
Disclosable Under FOISA	YES

Read Time: 10 minutes

1. Recommendation

1.1 The Audit Committee are asked to consider, and if so minded, approve the Strategic Risks 4 and 11 and consider any changes to Risks presented from Committees.

2.   Executive Summary

2.1   The purpose of this paper is to provide the Committee with the opportunity to review the College's Strategic Risks assigned to Audit Committee, note changes to risks assigned to other Committees and oversee the full register.

3.   Context

3.1   The Principal and Executive Leadership Team routinely review the Strategic Risk Register to reflect the key risks to the College and the mitigations that are applied to each risk.

Currently Audit Committee has 2 risks assigned to it for review and any amendment made to these is noted below:

> ➢   Risk 4 – Financial Fraud – No change to scoring, however 'Staff Training and sharing of good practice for emerging fraud risks' has been added to front line mitigations

> ➢   Risk 11 – Failure to achieve and maintain systems and operable and secure ICT – **no change**

3.2   Currently there are 7 risks at gross red, however after mitigations have been applied, only Risk 3 - Failure to achieve institutional sustainability remains red, in line with the current financial climate.

3.3   Risk 7 – Failure to achieve Effective Industrial Relations is submitted in an additional paper for deep dive consideration.

4.   **Strategic Implications**

4.1   The risks associated with Audit Committee link into the following strategic priorities: Priority 1 – Student Experience, Priority 4 – Growth and Financial Sustainability; Priority 5 – Systems and Infrastructure

5.   **Risk**

Risk	Mitigations
Risks 4, 11	Paperwork attached for reference.

6.   Implications

Financial	Yes	Financial loss and reputational damage and impact to financial sustainability.

Legal	Yes	Compliance with UK GDPR and the Data Protection Act 2018 (DPA 2018) and the Privacy and Electronic Communications Regulation 2003 (PECR 2003).ICO implications.
Learning and Teaching	Yes	Serious impact to the college's ability to operate and deliver education to students.
Equalities	No	

L Grierson
Secretary to the Board
23 August 2023

RISK REGISTER

No	Risk	ORIGINAL TASK				RESIDUAL RISK				Risk Appetite	Trend
	RISK DEFINITION	Likelihood	Impact	Total	Risk Level	Likelihood	Impact	Total	Risk Level		
Responsible Person – Principal											
1	Failure of College strategy to meet the needs of Dumfries and Galloway Region and/or national priorities (BoM)										
		4	4	16	🟥	3	3	9	🟧	Moderate	=
2	Legal actions; serious accident; incident or civil/criminal breach (BoM)										
		5	3	15	🟧	3	2	6	🟩	Moderate	=
Responsible Person – Executive Director of Finance											
3	Failure to achieve institutional sustainability (FGP)										
		4	5	20	🟥	4	5	20	🟥	Averse	=
4	Financial Fraud (AUD)										
		4	3	12	🟧	3	2	6	🟩	Open	=
6	Failure to meet regulatory obligations (BoM)										
		3	5	15	🟧	5	1	5	🟩	Moderate	=
Responsible Person – Vice Principal People and Transformation											
5	Business Continuity Incident – Fire, Systems, Emergency Procedures, Health (BoM)										
		4	4	16	🟥	4	3	12	🟧	Avoid	=
7	Failure to achieve effective Industrial Relations (FGP)										
		5	4	20	🟥	5	3	15	🟧	Moderate	=
11	Failure to achieve and maintain systems and operable and secure ICT (AUD)										
		4	5	20	🟥	3	4	12	🟧	Avoid	=
12	Health and Safety (BOM)										
		4	5	20	🟥	3	4	12	🟧	Avoid	=
Responsible Person - Depute Principal Learning, Skills and Student Experience											
8	Failure to achieve highest academic performance levels (LT)										
		4	4	16	🟥	3	4	12	🟧	Cautious	=
9	Failure to adhere to academic compliance arrangements (LT)										
		4	3	12	🟧	2	2	4	🟩	Cautious	=
10	Failure to achieve an effective student experience (LT)										

=		3	4	12		2	4	8		Cautious	=

KEY: ASSESSMENT OF RISKS

Risks which should be monitored by the Risk Management Group: Scores: 1 – 8 Minor Risk

Risks to be brought to the attention of SMT and the Board of Management: Scores: 9 - 15 Significant Risk

Risks to be reported to, and monitored by, Board of Management: Scores: 16 – 20 Major Risk

Risks to be reported to, and monitored by, Board of Management: Scores: 21 – 25 Fundamental Risk

Risk Score Matrix

Impact

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4	8	12	16	20
3	6	9	12	15
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1	2	3	4	5

Likelihood

Strategic Objective:	Risk No: 1 Failure to meet Region/National Priorities

Reference to Departmental Risk Registers:	Strategic
Owner:	Principal
Description of the Risk:	Failure of College strategy to meet the needs of Dumfries and Galloway Region and/or national priorities
What are the possible consequences if the risk was to emerge?	Loss of credibility, unable to meet economic and societal needs of region, curriculum not fit for purpose, College will not meet funding targets and will not remain financially sustainable

Numerical Scoring of Gross Risk (i.e., without controls in place)

What is the predicted **LIKELIHOOD** of the risk occurring?	(A) 4/5	What is the predicted **IMPACT** of the risk?	(B) 4/5	What is the total risk score? (A x B)	16/25
The **GROSS** risk is therefore: (MIN/SIG/MAJ/FUN)		**Major Risk**			

3 LINES OF DEFENCE	MITIGATIONS	MONITORING
FRONT LINE (Management Assurance) **Operational Delivery /Systems /Quality Assurance /Supervision**	• Workplans and oversight in line with ROA and Financial targets	• Clear performance metrics for all strategic outcomes and linked to individual performance targets reviewed on regular basis
OVERSIGHT OF MANAGEMENT ACTIVITY **Internal Compliance and quality checks / Legal and Regulatory / Financial controls / Management controls / Project assurance**	• Robust strategic planning • Effective environmental scanning • Strong and effective partnerships • Clear links between strategy and practice • Concerted demands for increased activity levels	• Membership of key strategic groups • SLT Systems of Control and Reporting • Amendment of strategic direction/plans to government policy and regional economic strategy • Robust monitoring of activity targets via ROA and reported quarterly to SFC
INDEPENDENT ASSURANCE **Internal Audit / external bodies**		• Ongoing engagement and reporting to SFC • Ongoing engagement and reporting to SDS • External Audit • BoM oversight

Numerical Scoring of NET Risk (i.e., with controls in place) (2 cont.)

What is the predicted **LIKELIHOOD** of the risk occurring?	(A) 3/5	What is the predicted **IMPACT** of the risk?	(B) 3/5	What is the total risk score? (A x B)	9/25

Risk Status	Meeting 1 SIG	Meeting 2	Meeting 3	Meeting 4

MEETING	AMENDMENTS TO RECORD
Q1	Net risk to remain as financial sustainability still an ongoing issue
Q2	
Q3	
Q4	

No.	Risk and Risk Appetite	Avoid	Averse	Cautious	Moderate	Open	Hungry
1	Failure of College strategy to meet the needs of Dumfries and Galloway Region and/or national priorities				▓		
4	Financial Fraud		▓				
6	Failure to meet regulatory obligations				▓		

Strategic Objective:	Risk No: 2 Legal Actions, serious Incidents		
Reference to Departmental Risk Registers:	Strategic		
Owner:	Principal		
Description of the Risk:	Legal actions; serious accident; incident or civil/criminal breach		
What are the possible consequences if the risk was to emerge?	Financial loss to the college, impact on reputation and potential criminal / civil legal proceedings		

Numerical Scoring of Gross Risk (i.e., without controls in place)					
What is the predicted **LIKELIHOOD** of the risk occurring?	(A) 5/5	What is the predicted **IMPACT** of the risk?	(B) 3/5	What is the total risk score? (A x B)	15/25
The **GROSS** risk is therefore: MIN/SIG/MAJ/FUND	**Significant Risk**				

3 LINES OF DEFENCE	MITIGATIONS	MONITORING
FRONT LINE (Management Assurance) **Operational Delivery /Systems /Quality Assurance /Supervision**	• Mandatory staff training on regulatory compliance areas • Continuous professional development	• Records of staff training and completion • Line Manager oversight
OVERSIGHT OF MANAGEMENT ACTIVITY **Internal Compliance and quality checks / Legal and Regulatory / Financial controls / Management controls / Project assurance**	• Adherence to legislative and good practice requirements • Positive Union relations and staff communication • Ongoing management development programmes • Whistleblowing Policy	• Monitoring and reporting in key areas – e.g., H&S, equalities, employee engagement, post-Covid arrangements • Internal audit actions • Staff surveys
INDEPENDENT ASSURANCE **Internal Audit / external bodies**	• External legal advice contract in place and used where appropriate	• Internal and External Audit • BoM oversight

Numerical Scoring of NET Risk (i.e., with controls in place)

What is the predicted **LIKELIHOOD** of the risk occurring?	(A) 3/5	What is the predicted **IMPACT** of the risk?	(B) 2/5	What is the total risk score? (A x B)	6/25

Risk Status	Meeting 1 MIN	Meeting 2	Meeting 3	Meeting 4

MEETING	AMENDMENTS TO RECORD
Q1	Risk to remain as per previous score after treatment
Q2	
Q3	
Q4	

No.	Risk and Risk Appetite	Avoid	Averse	Cautious	Moderate	Open	Hungry
2	Legal actions; serious accident; incident or civil/criminal breach						

Strategic Objective:	Risk No: 3 Financial Sustainability	

Reference to Departmental Risk Registers:	Financial
Owner:	Executive Director of Finance
Description of the Risk:	Failure to achieve institutional sustainability
What are the possible consequences if the risk was to emerge?	The college will be unable to continue, becomes insolvent, contravening governance requirements by SG, Section 22, Reputational damage to Board and F&GP

Numerical Scoring of Gross Risk (i.e., without controls in place)					
What is the predicted **LIKELIHOOD** of the risk occurring?	(A) 4/5	What is the predicted **IMPACT** of the risk?	(B) 5/5	What is the total risk score? (A x B)	20/25
The **GROSS** risk is therefore: MIN/SIG/MAJ/FUND	**Major Risk**				

3 LINES OF DEFENCE	MITIGATIONS	MONITORING

FRONT LINE (Management Assurance) Operational Delivery /Systems /Quality Assurance /Supervision	• Increase commercial income to reduce reliance on SFC funding • Effective cost control • Active tracking of Credits achieved/forecast vs target • Protection of funding through dialogue with SFC	• Regular review of financial strategy and non-core income sensitivity • Finance business partnering to review budgets/spend with Managers • Continuous monitoring of demand v funding allocation of student funds
OVERSIGHT OF MANAGEMENT ACTIVITY Internal Compliance and quality checks / Legal and Regulatory / Financial controls / Management controls / Project assurance	• Strategic plan and Operating Plans approved by BoM and Committee • Budgets approved by BoM and Committee • Major project business cases approved by BoM and Committee • Finance Directors Network	• Regular internal reporting to BoM and Committee • Regular interaction with Scottish Funding Council Finance Team • Knowledge exchange through Finance Directors Network / Colleges Scotland • VP and Principals Groups
INDEPENDENT ASSURANCE Internal Audit / external bodies	• Internal Audit Programme agreed by BoM/Audit Committee • External Auditors appointed through Audit Scotland • Regional Outcome Agreement	• BoM/Committee review and approval of IA reports and action points tracking • Audit Committee/BoM oversight • Regular returns to Scottish Funding Council (FFR/FES)

Numerical Scoring of NET Risk (i.e., with controls in place) (2 cont.)					
What is the predicted **LIKELIHOOD** of the risk occurring?	(A) 4/5	What is the predicted **IMPACT** of the risk?	(B) 5/5	What is the total risk score? (A x B)	20/25

Risk Status	Meeting 1 MAJ	Meeting 2	Meeting 3	Meeting 4

MEETING	AMENDMENTS TO RECORD
Q1	No change
Q2	
Q3	
Q4	

No.	Risk and Risk Appetite	Avoid	Averse	Cautious	Moderate	Open	Hungry

3	Failure to achieve institutional sustainability						

Strategic Objective:	**Risk No: 4 Financial Fraud**

Reference to Departmental Risk Registers:	Financial
Owner:	Executive Director of Finance
Description of the Risk:	Financial Fraud
What are the possible consequences if the risk was to emerge?	Financial Loss, Loss of reputation, impact to financial sustainability

Numerical Scoring of Gross Risk (i.e., without controls in place)					
What is the predicted **LIKELIHOOD** of the risk occurring?	(A) 4/5	What is the predicted **IMPACT** of the risk?	(B) 3/5	What is the total risk score? (A x B)	12/25
The **GROSS** risk is therefore: MIN/SIG/MAJ/FUN	**Significant Risk**				

3 LINES OF DEFENCE	**MITIGATIONS**	**MONITORING**
FRONT LINE (Management Assurance) **Operational Delivery /Systems /Quality Assurance /Supervision**	• No PO / no Pay policy • Scheme of financial delegation • Segregation of duties and review of transactions • Staff training and sharing of good practice for emerging fraud risks	• Continuous review of financial controls • Implementation of Internal Audit recommendations
OVERSIGHT OF MANAGEMENT ACTIVITY **Internal Compliance and quality checks / Legal and Regulatory / Financial controls / Management controls / Project assurance**	• Review of impact of any changes in structure or duties • Public Interest Disclosure (Whistleblowing) Policy • Review of lessons learned report from COGC	• Continuous review of financial controls • Budget / spend review • Monitoring across SLT Directorates
INDEPENDENT ASSURANCE	• Internal Audit plan	• Internal Audit • External Audit

Internal Audit / external bodies		• Counter Fraud Initiative • Audit Committee/BoM oversight

Numerical Scoring of NET Risk (i.e., with controls in place) (2 cont.)

What is the predicted **LIKELIHOOD** of the risk occurring?	(A) 3/5	What is the predicted **IMPACT** of the risk?	(B) 2/5	What is the total risk score? (A x B)	6/25

Risk Status	**Meeting 1 MIN**	**Meeting 2**	**Meeting 3**	**Meeting 4**

MEETING	AMENDMENTS TO RECORD
Q1	Staff training and sharing of good practice added to Front Line Mitigations
Q2	
Q3	
Q4	

No.	Risk and Risk Appetite	Avoid	Averse	Cautious	Moderate	Open	Hungry
4	Financial Fraud						

Strategic Objective:	**Risk No: 5 Business Continuity**

Reference to Departmental Risk Registers:	Organisational
Owner:	VP People and Transformation
Description of the Risk:	Business Continuity Incident – Fire, Systems, Emergency Procedures, Health threats
What are the possible consequences if the risk was to emerge?	Serious impact to the college's ability to operate and deliver education to students, safeguarding of staff and students, impact to financial sustainability of college, loss of reputation

Numerical Scoring of Gross Risk (i.e., without controls in place)

What is the predicted **LIKELIHOOD** of the risk occurring?	(A) 4/5	What is the predicted **IMPACT** of the risk?	(B) 4/5	What is the total risk score? (A x B)	16/25
The **GROSS** risk is therefore: MIN/SIG/MAJ/FUN	**Major Risk**				

3 LINES OF DEFENCE	MITIGATIONS	MONITORING
FRONT LINE (Management Assurance) **Operational Delivery /Systems /Quality Assurance /Supervision**	• Documented disaster recovery procedures regularly reviewed • Separate COVID -19 – Risk Register /BCT Plan in place • Sound systems of administration • Staff CPD on business continuity themes • Monitoring Public Health Advice • Increased awareness of climate emergency issues • Planning, careful phasing of changes to processes, systems, and equipment • Effective management of / Asset Register in place • Effective management of systems and GDPR	• Adherence to local and national Public Health Guidance • SA Climate awareness activities • Regular review/reporting on milestones, systems effectiveness etc. • Business Continuity Plan including scenario testing • Active data protection monitoring and auditing
OVERSIGHT OF MANAGEMENT ACTIVITY **Internal Compliance and quality checks / Legal and Regulatory / Financial controls / Management controls / Project assurance**	• Rolling programme of routine updates to systems and equipment	• Liaison with SFC and Colleges Scotland – COVID-19 response groups • Climate Emergency College Group (includes Student Representatives)
INDEPENDENT ASSURANCE **Internal Audit / external bodies**	• Communication to stakeholders	• Internal Audit on process and statutory compliance • BoM oversight

Numerical Scoring of NET Risk (i.e., with controls in place) (2 cont.)					
What is the predicted **LIKELIHOOD** of the risk occurring?	(A) 4/5	What is the predicted **IMPACT** of the risk?	(B) 3/5	What is the total risk score? (A x B)	12/25

Risk Status	Meeting 1 SIG	Meeting 2	Meeting 3	Meeting 4

MEETING	AMENDMENTS TO RECORD
Q1	No change
Q2	
Q3	
Q4	

No.	Risk and Risk Appetite	Avoid	Averse	Cautious	Moderate	Open	Hungry
5	Business Continuity Incident, e.g., Fire, MIS Failure, Failure of Emergency Procedures, Threats to Health						

Strategic Objective:	Risk No: 6 Failure to meet Regulatory Obligations
Reference to Departmental Risk Registers:	Organisational
Owner:	Executive Director of Finance
Description of the Risk:	Failure to meet regulatory obligations
What are the possible consequences if the risk was to emerge?	Loss of reputation, impact to financial sustainability, Government bodies intervention

Numerical Scoring of Gross Risk (i.e., without controls in place)					
What is the predicted **LIKELIHOOD** of the risk occurring?	(A) 3/5	What is the predicted **IMPACT** of the risk?	(B) 5/5	What is the total risk score? (A x B)	15/25
The **GROSS** risk is therefore: MIN/SIG/MAJ/FUN	**Significant Risk**				

3 LINES OF DEFENCE	MITIGATIONS	MONITORING
FRONT LINE (Management Assurance) **Operational Delivery /Systems /Quality Assurance /Supervision**	• Prevent, Health and Safety and Safeguarding training • Staff awareness and contingency planning • Engagement/practice sharing with local agencies	• Business Continuity Plan including scenario testing • Information sharing with local agencies • HR monitors staff numbers trained
OVERSIGHT OF MANAGEMENT ACTIVITY	• Engagement/practice sharing with local agencies • Board approval of SFC submissions	• Information sharing with local agencies • SFC obligations

Internal Compliance and quality checks / Legal and Regulatory / Financial controls / Management controls / Project assurance		
INDEPENDENT ASSURANCE **Internal Audit / external bodies**		• Internal Audit across all areas • Annual external Audit • BoM oversight

Numerical Scoring of NET Risk (i.e., with controls in place) (2 cont.)					
What is the predicted **LIKELIHOOD** of the risk occurring?	(A) 5/5	What is the predicted **IMPACT** of the risk?	(B) 1/5	What is the total risk score? (A x B)	5/25

Risk Status	Meeting 1 MIN	Meeting 2	Meeting 3	Meeting 4

MEETING	AMENDMENTS TO RECORD
Q1	No change
Q2	
Q3	
Q4	

No.	Risk and Risk Appetite	Avoid	Averse	Cautious	Moderate	Open	Hungry
6	Failure to meet regulatory obligations						

Strategic Objective:	Risk No: 7 Failure to Achieve Effective Industrial Relations
Reference to Departmental Risk Registers:	Organisational
Owner:	Vice Principal People and Transformation.
Description of the Risk:	Failure to achieve effective Industrial Relations
What are the possible consequences if the risk was to emerge?	Financial loss, impact to ability to effectively teach, industrial action, loss of reputation.

Numerical Scoring of Gross Risk (i.e., without controls in place)					
What is the predicted **LIKELIHOOD** of the risk occurring?	(A) 5/5	What is the predicted **IMPACT** of the risk?	(B) 4/5	What is the total risk score? (A x B)	20/25
The **GROSS** risk is therefore: MIN/SIG/MAJ/FUN	**Major Risk**				

3 LINES OF DEFENCE	MITIGATIONS	MONITORING
FRONT LINE (Management Assurance) **Operational Delivery /Systems /Quality Assurance /Supervision**	• Constructive formal and informal communication channels • Regular meetings • Staff awareness and contingency planning	• LJNC • College Employers Scotland advice and updates • Regular union/management dialogue
OVERSIGHT OF MANAGEMENT ACTIVITY **Internal Compliance and quality checks / Legal and Regulatory / Financial controls /**	• LJNC (Local Joint Negotiation Committee) • Representation at Employers Assoc'n • NRPA (National Recognition and Procedures Agreement)	• ELT/SLT/Board • Regular employee engagement monitoring • Regular union/management dialogue

Management controls / Project assurance	• Engagement/practice sharing with local agencies • Attendance at Strategic HR Network	
INDEPENDENT ASSURANCE **Internal Audit / external bodies**	• College Employers Scotland	• SFC/Scottish Government • FGP/BoM oversight

Numerical Scoring of NET Risk (i.e., with controls in place) (2 cont.)					
What is the predicted **LIKELIHOOD** of the risk occurring?	(A) 5/5	What is the predicted **IMPACT** of the risk?	(B) 3/5	What is the total risk score? (A x B)	15/25

Risk Status	**Meeting 1 SIG**	Meeting 2	Meeting 3	Meeting 4

MEETING	AMENDMENTS TO RECORD
Q1	No changes
Q2	
Q3	
Q4	

No.	Risk and Risk Appetite	Avoid	Averse	Cautious	Moderate	Open	Hungry
7	Failure to achieve effective Industrial Relations						

Strategic Objective: Risk No: 8 Failure to achieve highest academic performance		
Reference to Departmental Risk Registers:	Organisational	
Owner:	DP Learning Skills and Student Experience	
Description of the Risk:	Failure to achieve highest academic performance levels	
What are the possible consequences if the risk was to emerge?	Loss of reputation in the region, financial sustainability, ability to attract future students and educational partners **Note** – College performance has been a long term issue that predates COVID	

Numerical Scoring of Gross Risk (i.e., without controls in place)						
What is the predicted **LIKELIHOOD** of the risk occurring?	(A) 4/5	What is the predicted **IMPACT** of the risk?	(B) 4/5	What is the total risk score? (A x B)	16/25	
The **GROSS** risk is therefore: MIN/SIG/MAJ/FUN	**Major Risk**				

3 LINES OF DEFENCE	**MITIGATIONS**	**MONITORING**
FRONT LINE (Management Assurance) **Operational Delivery /Systems /Quality Assurance /Supervision**	• Online reports with curriculum areas performance • Action planning at curriculum area level • Regular curriculum team meetings	• Managers and Directors monitor course PIs • Self-evaluation reporting monitored by Performance
OVERSIGHT OF MANAGEMENT ACTIVITY **Internal Compliance and quality checks / Legal and Regulatory / Financial controls / Management controls / Project assurance**	• College wide enhancement plan developed from self-evaluation • Action planning from portfolio reviews	• College wide enhancement plan monitored annually • Annual portfolio review to examine improvement actions • Regular reportage on performance to SLT • Reportage to L&T Committee on College wide self -evaluation and portfolio reviews
INDEPENDENT ASSURANCE **Internal Audit / external bodies**	• Annual scrutiny by Education Scotland annually by HMI and STMs • Self-evaluation reportage to Scottish Funding Council	• Reportage by Education Scotland presented to the BoM • SFC Outcome Team monitor returns and provide feedback as required

Numerical Scoring of NET Risk (i.e., with controls in place) (2 cont)

What is the predicted **LIKELIHOOD** of the risk occurring?	(A) 3/5	What is the predicted **IMPACT** of the risk?	(B) 4/5	What is the total risk score? (A x B)	12/25

Risk Status	Meeting 1 SIG	Meeting 2	Meeting 3	Meeting 4

MEETING	AMENDMENTS TO RECORD
Q1	No change
Q2	
Q3	
Q4	

No.	Risk and Risk Appetite	Avoid	Averse	Cautious	Moderate	Open	Hungry
8	Failure to achieve highest academic performance levels						

Strategic Objective:	Risk No: 9 Failure to adhere to academic compliance
Reference to Departmental Risk Registers:	Organisational
Owner:	DP Learning Skills and Student Experience
Description of the Risk:	Failure to adhere to academic compliance arrangements, eg awarding bodies, Education Scotland
What are the possible consequences if the risk was to emerge:	Loss of reputation, financial loss, loss of ability to deliver and develop new courses, loss of ability to issue international visas and impact on student certification.

Numerical Scoring of Gross Risk (i.e. without controls in place)					
What is the predicted **LIKELIHOOD** of the risk occurring?	(A) 4/5	What is the predicted **IMPACT** of the risk?	(B) 3/5	What is the total risk score? (A x B)	12/25
The **GROSS** risk is therefore: MIN/SIG/MAJ/FUN	**Significant risk**				

3 LINES OF DEFENCE	MITIGATIONS	MONITORING

FRONT LINE (Management Assurance) **Operational Delivery /Systems /Quality Assurance /Supervision**	• Assessor marks in line with national standards utilising awarding body resources. • Action planning at curriculum area level • Regular curriculum team meetings	• Internal verifier appointed for each unit and a cycle of verification is followed. • Self-evaluation reporting monitored by Performance	
OVERSIGHT OF MANAGEMENT ACTIVITY **Internal Compliance and quality checks / Legal and Regulatory / Financial controls / Management controls / Project assurance**	• Management scrutiny of the cycle of verification and appointment of internal verifiers. • Issues from internal verification are identified and action planned to ensure conformity with national standards. • College wide enhancement plan developed from self-evaluation	• Scrutiny of internal verification reports by managers. • SLT scrutiny of annual verification activity. • College wide enhancement plan monitored annually • Reportage to L&T Committee on College wide self -evaluation and portfolio reviews	
INDEPENDENT ASSURANCE **Internal Audit / external bodies**	• External verification by awarding body according to an annual cycle and risk • Annual scrutiny by Education Scotland annually by HMI and STMs • Self-evaluation reportage to Scottish Funding Council	• External verifier presents report of visit to curriculum and performance team. • Performance directorate monitor external verification and report to SLT and the L&T Committee. • Reportage by Education Scotland presented to the BoM • SFC Outcome Team monitor returns and provide feedback as required	

Numerical Scoring of NET Risk (i.e. with controls in place) (2 cont)					
What is the predicted **LIKELIHOOD** of the risk occurring?	(A) 2/5	What is the predicted **IMPACT** of the risk?	(B) 2/5	What is the total risk score? (A x B)	4/25

Risk Status	Meeting 1 MIN	Meeting 2	Meeting 3	Meeting 4

MEETING	AMENDMENTS TO RECORD
Q1	No change
Q2	
Q3	
Q4	

No.	Risk and Risk Appetite	Avoid	Averse	Cautious	Moderate	Open	Hungry

9	Failure to adhere to academic compliance arrangements						

Strategic Objective: Risk No: 10 Failure to achieve an effective student experience	
Reference to Departmental Risk Registers:	Organisational
Owner:	DP Learning, Skills and Student Experience *(Inc Infrastructure/Marketing/ICT)*
Description of the Risk:	Failure to achieve an effective student experience
What are the possible consequences if the risk was to emerge?	Loss of reputation in the region, financial sustainability, ability to attract future students, ability to retain students and potential to limit student progression.

Numerical Scoring of Gross Risk (i.e., without controls in place)					
What is the predicted **LIKELIHOOD** of the risk occurring?	(A) 3/5	What is the predicted **IMPACT** of the risk?	(B) 4/5	What is the total risk score? (A x B)	12/25
The **GROSS** risk is therefore: MIN/SIG/MAJ/FUND	**Significant Risk**				

3 LINES OF DEFENCE	MITIGATIONS	MONITORING
FRONT LINE (Management Assurance) **Operational Delivery /Systems /Quality Assurance /Supervision**	• Clear arrangements for applications, onboarding and retention • Student block surveys and Student Satisfaction and Engagement Survey (SSES) • Student engagement prior to course start and on course • Continuous self- evaluation and action planning by support and teaching areas • Action planning at curriculum area level • Regular curriculum team meetings • Students' association officers' meetings with students • Student focus groups • Student class representatives input to course teams	• Review of early student experience • Performance return survey and SSES results to CMs • Performance enhancement measure support areas to improve the student experience • Self-evaluation reporting monitored by Performance and Directors
OVERSIGHT OF MANAGEMENT ACTIVITY **Internal Compliance and quality checks / Legal and Regulatory / Financial controls /**	• College wide enhancement plan developed from self-evaluation • Action planning from portfolio reviews	• Monitoring of College wide enhancement plan • Portfolio review to examine improvement actions • Regular reportage on performance and student satisfaction to SLT

Management controls / Project assurance		• Reportage to L&T Committee on College wide self - evaluation, enhancement plan and portfolio reviews
INDEPENDENT ASSURANCE **Internal Audit / external bodies**	• Annual scrutiny by Education Scotland annually by HMI and STMs • Self-evaluation reportage to Scottish Funding Council	• Reportage by Education Scotland presented to the BoM • SFC Outcome Team monitor returns and provide feedback as required

Numerical Scoring of NET Risk (i.e., with controls in place) (2 cont)					
What is the predicted **LIKELIHOOD** of the risk occurring?	(A) 2/5	What is the predicted **IMPACT** of the risk?	(B) 4/5	What is the total risk score? (A x B)	8/25

Risk Status	Meeting 1 MIN	Meeting 2	Meeting 3	Meeting 4

MEETING	AMENDMENTS TO RECORD
Q1	No change
Q2	
Q3	
Q4	

No.	Risk and Risk Appetite	Avoid	Averse	Cautious	Moderate	Open	Hungry
10	Failure to achieve an effective student experience						

Strategic Objective: Risk No: 11 Failure to maintain systems and operable and secure ICT	
Reference to Departmental Risk Registers:	Organisational
Owner:	VP People and Transformation
Description of the Risk:	Failure to achieve and maintain systems and operable and secure ICT
What are the possible consequences if the	Serious impact to the college's ability to operate and deliver education to students, financial loss, loss of data and reputation

risk was to emerge?	

Numerical Scoring of Gross Risk (i.e., without controls in place)

What is the predicted **LIKELIHOOD** of the risk occurring?	(A) 4/5	What is the predicted **IMPACT** of the risk?	(B) 5/5	What is the total risk score? (A x B)	20/25
The **GROSS** risk is therefore:(MIN/SIG/MAJ/FUN) **Major**					

3 LINES OF DEFENCE	MITIGATIONS	MONITORING
FRONT LINE (Management Assurance) **Operational Delivery /Systems /Quality Assurance /Supervision**	• Documented disaster recovery procedures • Cyber Incident disaster recovery plan and training • Staff CPD on business continuity areas including Cyber security • Firewalls and antivirus software in place	• Cyber exercises • Regular planned security monitoring. • Desktop DRP exercises carried out and reviewed regularly. • Network traffic regularly monitored.
OVERSIGHT OF MANAGEMENT ACTIVITY **Internal Compliance and quality checks / Legal and Regulatory / Financial controls / Management controls / Project assurance**	• Regular internal review of security measures and action around areas of concern; • Regular cyber/phishing exercises;	• Feedback via SLT/ELT on monitoring statistics; • Regular Board reporting around cyber position;
INDEPENDENT ASSURANCE **Internal Audit / external bodies**	• CISO (Chief Information Security Officer) service in place through HEFESTIS.	• Regular reporting and risk assessment. • Audit Committee/BoM oversight

Numerical Scoring of NET Risk (i.e., with controls in place) (2 cont)

What is the predicted **LIKELIHOOD** of the risk occurring?	(A) 3/5	What is the predicted **IMPACT** of the risk?	(B) 4/5	What is the total risk score? (A x B)	12/25

Risk Status	Meeting 1 SIG	Meeting 2	Meeting 3	Meeting 4

MEETING	AMENDMENTS
Q1	No changes
Q2	
Q3	

Q4	

No.	Risk and Risk Appetite	Avoid	Averse	Cautious	Moderate	Open	Hungry
11	Failure to achieve and maintain systems and operable and secure ICT						

Strategic Objective:	Risk No: 12 Health & Safety Compliance
Reference to Departmental Risk Registers:	Organisational
Owner:	VP People and Transformation
Description of the Risk:	Failure to meet regulatory health & safety obligations
What are the possible consequences if the risk was to emerge?	Loss of reputation, financial penalties, criminal liability (corporate and individual)

Numerical Scoring of Gross Risk (i.e., without controls in place)					
What is the predicted **LIKELIHOOD** of the risk occurring?	(A) 4/5	What is the predicted **IMPACT** of the risk?	(B) 5/5	What is the total risk score? (A x B)	20/25
The **GROSS** risk is therefore: (MIN/SIG/MAJ/FUN)	**Major Risk**				

3 LINES OF DEFENCE	MITIGATIONS	MONITORING
FRONT LINE (Management Assurance) **Operational Delivery /Systems /Quality Assurance /Supervision**	• Reporting and review procedure including "near miss" • Health and Safety IOSH training for staff • Regular communication on responsibilities • Specific communication at time of increased risk e.g.Covid, building works, adverse weather	• Regular, formal Health & Safety Committee
OVERSIGHT OF MANAGEMENT ACTIVITY	• Clear channels of communication regarding	• Regular, formal Health & Safety Committee

Internal Compliance and quality checks / Legal and Regulatory / Financial controls / Management controls / Project assurance	issues and preventative actions	• Reporting to Audit Committee / BoM
INDEPENDENT ASSURANCE **Internal Audit / external bodies**		• Internal Audit • Public Health • Environmental Health

Numerical Scoring of NET Risk (i.e., with controls in place) (2 cont)					
What is the predicted **LIKELIHOOD** of the risk occurring?	(A) 3/5	What is the predicted **IMPACT** of the risk?	(B) 4/5	What is the total risk score? (A x B)	12/25

Risk Status	Meeting 1 SIG	Meeting 2	Meeting 3	Meeting 4

MEETING	AMENDMENTS TO RECORD
Q1	No change
Q2	
Q3	
Q4	

No.	Risk and Risk Appetite	Avoid	Averse	Cautious	Moderate	Open	Hungry
12	Health & Safety compliance						

DUMFRIES AND GALLOWAY COLLEGE

MEETING	AUDIT COMMITTEE
Agenda Item:	**4**
Paper No:	**AUD0923-4.1**

Date	19 September 2023
Location	MS Teams On-line
Title of Paper	Terms of Reference / Committee Self Evaluation
Presented By	Lorraine Grierson
Recommendation	Discussion
Appendix Attached	NO
Disclosable Under FOISA	NO

Read Time: 3 minutes

1. **Recommendation**

   ➢ The Audit Committee is asked to note the self-evaluation information

   ➢ review and agree the Terms of Reference for Board approval.

2. Executive Summary

2.1 The Board of Management is required under the Code of Good Governance for Scotland's Colleges (section D.23) to self-evaluate annually its performance and effectiveness against its overall duties and responsibilities. Compliance with the Code is a condition of grant awarded by SFC. The implementation of robust self-evaluation processes will ensure that governance arrangements are compliant with the Code of Good Governance.

3. Context

3.1 The self evaluation was carried out in May 2023 and the completed evaluation is attached for information. This has previously been sent out to committee members for their comment and approval.

3.2 As part of the evaluation process, the terms of reference also need to be reviewed annually.

3.3 C.7 (D) of the Code of Good Governance states setting quorum for board and committee members should be set at 50% or higher and ensuring that the majority in any decision making are non-executive members.

3.4 The terms of reference include the Committee Schedule of Business for each meeting. These have been reviewed by the executive team member/s and are attached for your information and agreement before being submitted to the full board for approval.

3.5 Items 4.5 and 4.7 have been added for your consideration.

4. Strategic Implications

4.1 Board effectiveness impacts on all priorities within Ambition 2025.

5. Risk

5.1 No risks associated with this paper.

6. Implications

Financial	NO	
Legal	NO	
Learning and Teaching	NO	
Equalities	NO	

Lorraine Grierson
Secretary to the Board
23 August 2023

![DGC Dumfries and Galloway College - One step ahead]

Terms of Reference	Audit Committee
Date Approved by Committee	Nov 2021
Date Approved by Board	Nov 2021
Date of Next Review	Sept 2023
Chair	Gillian Brydson

1.   Membership

1.1.   5-6 non-executive board members (one of whom shall be appointed as Committee Chair).

1.2.   Members of the Audit Committee (AC) are precluded from serving on the Finance & General Purposes Committee (F&GP).

1.3.   The Chair and Principal should not be a member of the AC.

1.4.   The internal audit service provider and representatives of the external auditor will be expected to attend meetings of the AC and to be provided with agenda and papers for meetings.

1.5.   The AC can sit privately without any non-members present for all or part of the meeting if they wish.

1.6.   In attendance:

1.6.1.1.   Principal;

1.6.1.2.   Depute/Vice Principals;

1.6.1.3.   Secretary to the Board

2.   Quorum

2.1.   No less than one half of the members entitled to vote. Quorum 50% or higher of membership, with the majority for decision-making to be non-executives.

3.   Reporting

3.1.   The AC shall make its recommendations to the Board of Management as appropriate.

3.2.   The AC shall observe the Standing Orders in all its business.

3.3.   Minutes of the meetings should be circulated to the Board for information.

3.4.   Prepare an annual report to the Board on Internal Financial Control prior to the signing of the Financial Statements focussing particularly on any changes in accounting policy, major judgemental areas, significant audit adjustments, the going concern assumption and compliance with accounting standards and the Scottish Funding Council's Financial Memorandum

4.   Responsibilities

4.1.   Advise the Board on the strategic processes for risk, control and governance, and the Governance Statement.

4.2.   Agree the letter of engagement of the external auditor and review the reports to management, making recommendations if required.

4.3.   Review and make recommendations to the external auditor's Management Letter and management's response and have direct access to the external auditor including an annual closed meeting.

4.4.   Agree the scope for the external auditor's work. A progress report from the external auditor will be presented bi-annually.

4.5.   Advise the Board on the criteria for the selection and appointment of the internal auditor, and to select and recommend the appointment of the provider of an internal audit service.

4.6.   Agree the scope for the internal audit plan (including value for money audits), review all audit reports and monitor the implementation of internal audit recommendations and advise the Board accordingly. A progress report will be presented at each meeting.

4.7.   Monitor the performance and effectiveness of external and internal audits.

4.8.   Monitor the processes for ensuring the effectiveness of the financial and other internal controls and management systems, making recommendations to the Board accordingly.

4.9.   Ensure compliance with corporate governance requirements.

4.10.   Maintain oversight of the Anti-fraud and Corruption Policy and the Whistleblowing Policy ensuring their effectiveness. A report to be provided annually.

4.11.   Monitor, review and advise the Board on the Risk Management Policy and the effectiveness of the risk management systems, including the College's Risk Appetite to ensure the College's approach to managing risk is appropriate and adequate. The AC will

review and discuss the Risk Register at each meeting and make recommendations to the Board as required.

4.12.   Monitor the systems in place which promote efficiency, effectiveness and economy including where appropriate the identification of specific value for money studies. Ensure the activities are managed in accordance with legislation and regulations.

4.13.   Ensure all significant losses, including those in excess of the delegated limits set out in the Financial Memorandum have been properly investigated and the internal and external auditors and Scottish Funding Council have been fully informed of all such loses.

4.14.   Following consideration by F&GP, the AC will provide a recommendation to the Board that the annual financial statements may be approved, or report concerns to the Board.

4.15.   Undertake a self-evaluation exercise annually to ensure that the AC complies with best practice in relation to governance and the internal and external audit services are satisfactory.

5.   Meetings

5.1.   The AC will normally meet at least four times per year.

5.2.   Once a year, subsequent to a meeting of the AC, non-executive members of the AC will meet with the internal auditor and representatives of the external auditor. The Chair of the Board of Management may elect to attend this meeting.

5.3.   The AC will report to the Board of Management on a regular basis, and the Chair of the AC will produce an Annual Report for submission to the Board following the end of the financial year.

5.4.   Schedule of Business

Standing Items:

➢ Maintain minutes and report to board

➢ Review AC Action Log

➢ Review Risk Register and mitigating actions

➢ Monitor progress against internal audit recommendations

➢ Review new internal audit reports undertaken since last meeting

Meeting 1 (Aug-Oct) Q1	Meeting 2 (Nov-Jan) Q2	Meeting 3 (Feb-April) Q3	Meeting 4 (May-July) Q4

• Review Risk Appetite Statement
• Review Annual Internal Audit Summary Report
• Review of Business Continuity Plan
	• Closed meeting with Committee and Auditors in the absence of executive members
	• Consider for Approval Year End Accounts
	  • External Annual Audit Report
	  • Letter of Representation
	  • Draft Financial Statements
	• Annual Audit Committee Report
		• Review Anti-fraud & Corruption policy
		• Review Whistleblowing policy and arrangements
		• Review Risk Management Policy
			• Approve external audit plan and scope of work
			• Approve internal audit plan and scope of work
			• Review Code of Good Governance & Scheme of Delegation
			• Assess independence, financial literacy skills and experience of members
			• Annual Committee Self-evaluation and review of Terms of Reference/Business Schedule

AUDIT COMMITTEE EVALUATION

(to be completed by Committee Members collectively)

Date: 13 JUN 23

Section	Yes	No	N/A	Comments/Action
Composition, Establishment and Duties of the Committee				
Does the Committee meet regularly in accordance with the Board Standing Orders?	Y			
Does the Committee consistently have a quorum?	Y			
Do all Committee members attend meetings regularly?	Y			
Does the Committee have enough members?				
Does at least one of the Committee members have a background relevant to the remit of the Committee?	Y			
Have new Committee members received all necessary training?	Y			
Does the Committee report regularly to the Board?	Y			

Section	Yes	No	N/A	Comments/Action
Terms of reference				
Does the Committee have written terms of reference?	Y			
Do the terms of reference include all aspects of the Committee's role?	Y			
Does the membership of the Committee need to be changed?				
Are the terms of reference adopted by the full Board and reviewed annually?	Y			

Section	Yes	No	NA	Comments/Action
Compliance with the Law and Regulations				
Does the Committee have a mechanism to keep it aware of topical legal and regulatory issues?	Y			

Section	Yes	No	NA	Comments/Action
Internal Control				
Does the Committee monitor to ensure that risk is controlled?	Y			
Does the Committee regularly review relevant strategic plans?	Y			
Does the Committee consider the level of detail and information it receives appropriate?	Y			
Are appropriate internal performance measures monitored by the Committee?				
Is the Committee addressing all matters delegated to it by the Board and under its terms of reference?	Y			

Section	Yes	No	NA	Comments/Action
Administrative arrangements				
Does the Committee have an independent secretary?	Y			
Are Committee papers distributed in sufficient time for members to give them due consideration?	Y			
Are Committee meetings scheduled prior to important decisions on specific matters being made?	Y			
Is the timing of Committee meetings discussed with all involved?				Chair and ELT