

## AUDIT COMMITTEE MEETING

### MINUTE OF MEETING HELD ON 29 NOVEMBER 2023 AT 16:00 VIA TEAMS

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

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

1.1. The Chair welcomed everyone to the meeting and the meeting was recorded as quorate. Apologies were noted as above.

#### 1.2. Declaration of Interest or Connections | Verbal | G. Brydson

1.3. No declarations or connections were raised.

## FOR APPROVAL

#### 2. Minutes of Previous Meetings and Matters Arising

##### 2.1. Minute of the Meeting 19 September 2023 | Paper 2.2 | Approval | G. Brydson

2.1.1. A point of accuracy was raised, M Gibson to show RSMUK and not Azets.

2.1.2. ....

2.1.3. A member queried point 2.3 regarding open actions – JM advised that the Support Staff Annual Leave Policy had been approved, and the staff disciplinary procedure was being finalised at a national level.

2.1.4. The timeframe for completion of the Business Continuity Plan (action number 3) was queried, and the Committee was advised that scenario planning was currently being undertaken with Managers and the BCP plan was expected for review by the Committee in March 2024.

2.1.5. LG advised that these actions are recorded in the Action Log with updates.

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2.1.6. **The minute of the meeting on 19 September 2023 was approved as an accurate record with the agreed change.**

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

2.2.1. 3 actions remained open and the following was noted: -

- Action 1 – The Risk Register to be reviewed in May 2024 at a BOM strategy event.
- Action 6 *‘Executive Capacity to be discussed at the next Board Development Committee’* and following discussion it was agreed that the board development committee may not be the best route, but it was agreed it was more suitable to be considered by the Remuneration Committee and if appropriate provide recommendations to the Board of Management.

2.2.2. **ACTION: Amend Action 6 from BDC to Remuneration Committee and request agenda item from the Chair.**

2.2.3. **The Committee approved the Action Log with agreed changes.**

### 3. **Strategic Risk Register | Paper 3.1 | Approval | L. Grierson**

3.1. The Committee were asked to review, in the first instance, Risk 4 and Risk 11 which were assigned to it.

3.2. There was no change to the scoring of Risk 4 – Financial Fraud, however additional narrative *‘Staff Training and sharing of good practice for emerging fraud risks’* had been added to front line mitigations.

3.3. There was no change to Risk 11 – Failure to achieve and maintain systems and operable and secure ICT.

3.4. An update for Risk 3 – *Failure to Achieve Institutional Sustainability* and Risk 7 – *Failure to Achieve Industrial Relations*, (both assigned to the F&GP Committee) was provided. Following discussion of Risk 3 and the funding element being the significant risk, the Committee agreed that the narrative should be revised to ensure clarity that the risk was attributed to external funding restrictions. LG advised members that this was an action from FGP and the risk would be passed to the Risk Owner to update the wording accordingly.

3.5. **ACTION: Adjust narrative of the title of the Risk 3 to reflect external funding concerns. LG**

3.6. **The Committee approved the risk register with agreed actions.**

### 4. **Audit Committee Annual Report | Paper 4.1 | Paper | Approval | G. Brydson**

4.1. GB advised that the pre-meeting between Audit Committee members and the internal and external auditors was very productive and there were no concerns to raise.

4.2. GB assumed the paper as read and invited members to comment on the report.

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- 4.3. JR highlighted the increase in medium and high-level management actions as reported on page 5 and recommended that additional narrative be provided to fully explain the increase and provide additional context and assurance for the Committee. The Committee acknowledged that cyber security has impacted the report and agreed that additional context was required. The section at no.5 re Risk would also be updated to reflect report content.
- 4.4. **ACTION: Adjust narrative to provide additional context in regard to increases in actions and at point 5 Risk. KH**
- 4.5. **The Committee approved the Audit Committee Annual Report with agreed actions and this would be circulated to members.**

### FOR DISCUSSION

#### 5. Internal Audit

##### 5.1. Progress Report | Paper 5.1 | Discussion | M. Gibson - RSMUK

- 5.1.1. It was noted that 9 Audits had been included in the 2023/24 plan of which 2 were completed, 4 in progress with 3 yet to be undertaken. There were no concerns noted to deliver the plan in the agreed timeframe.
- 5.1.2. Reasonable Assurance had been provided in relation to the FES Return and Substantial Assurance in relation to the Student Support Fund. Information regarding the KPIs for delivery and quality were provided. A change to the timings of the GDPR and Business Continuity Planning (BCP) audits had been made owing to the ongoing development of a new BCP Framework.
- 5.1.3. A query was raised regarding a KPI shown on page 9, whereby management responses had been 31 days exceeded the target time of 10 days. It was asked whether this was due to complexity or capacity. The Committee was assured that there were no concerns around the delay relating to the Cyber Security audit, but the delay was a result of a change in the Executive Team personnel and the summer holiday period and, therefore, a capacity issue. This was accepted by the Committee.
- 5.1.4. Following the change to the audit schedule for the BCP, a member raised a concern regarding governance of the Audit Plan and the process by which changes to the schedule are requested and agreed, on occasion out with the Audit Committee. MG commented on the impact and benefit of the audit of the BCP explaining that it was considered that more benefit would be received from the audit findings following the completion of the revised business continuity plan. Revisions to the schedule would also ensure completion of the final report to meet statutory requirements.
- 5.1.5. **It was agreed that all future requests for changes to the audit schedule would be approved by the Audit Committee.** The Principal supported this approach and welcomed challenge and scrutiny by the Committee which was appropriate.
- 5.1.6. The Committee acknowledged the benefit of the re-scheduled BCP audit on this occasion and agreed that rescheduled items would be tabled for approval by the Audit Committee moving forward.

**5.1.7. The Committee noted the report.**

**5.2. Student Support Funds Report | Paper 5.2 | Discussion | M. Gibson**

- 5.2.1. Following the completion of this audit, it was clarified by MG that no overall opinion is required for this report, however recorded that no issues were found and no management actions have arisen from the report.
- 5.2.2. The Committee requested additional information on the arrangements for stopping student funding including stopping childcare payments when attendance has dropped. The process was explained, and it was stated that approaches to student funding had been revised over the last 2 years particularly from an equality viewpoint as circumstances can impact the attendance on key groups more than others. The Chair welcomed the College's approach.
- 5.2.3. One Member queried the method of sampling of the audit, and it was confirmed that different groups had been sampled for each element.
- 5.2.4. The Committee welcomed the positive findings and commended the report.
- 5.2.5 **The Committee noted the report.**

**5.3 Further Education Statistics | Paper 5.3 | Discussion | M. Gibson**

- 5.3.1 Following the conclusion of the FES Return audit, an amber reasonable assurance had been provided with one medium and one low priority management action recommended. It was noted that industrial action had impacted on some processes.
- 5.3.2 The definition of 'superclass' included on page 12 was queried and explained.
- 5.3.3 The Chair highlighted the benefit of the introduction of systems to monitor engagement and asked if increases of assessment were evident following its introduction. The Committee was assured that a variety of assessment was considered thus ensuring the correct model was employed.
- 5.3.4 **The Committee noted the report.**

**6 Internal Audit Tracker | Paper 6.1 | Discussion | L. Grierson**

- 6.3 LG provided a summary of progress towards the actions within the 6 open Reports. Out of the 28 actions, 15 were yet to be completed, and 10 of these actions were amber rated. However, the majority of open actions related to recently completed HR and EDI audits and these were on track to meet the target dates.
- 6.4 A member raised a concern on the number of outstanding actions and if management capacity had impacted on the completion of some of the actions. JM confirmed that these audits had only been completed in August 2023 and work was ongoing, some cyber security actions had now been closed. Progress towards HR actions were on target to be completed within stated timeframes. It was also confirmed that the HR Sub-Committee had received a detailed update on all HR actions at the last meeting. This was accepted by the Committee.

6.5 An update on the progress of the revised Equality, Diversity and Inclusion Policy was requested and it was confirmed that the item had been through the EDI Forum and would be available for approval by the Board of Management in 2024.

6.6 **The Committee noted the Internal Audit Tracker.**

## **7 External Audit**

### **7.1 Annual External Audit Report | Paper 7.1 | Discussion | D. Eardley - Azets**

7.1.1 The Committee was asked to discuss the draft Annual Audit report 2022/23 which would be provided to both the Board of Management and the Auditor General for Scotland. It was noted that final testing of pensions and fixed asset revaluations were being finalised and no issues were anticipated. It was suggested to restate the pension valuation for last year, as nil as per the current year and DE explained the reasons for this. Commentary on key audit risks had been included. Financial Sustainability had been a particular focus for the audit within the sector.

7.1.2 Questions and comments were invited from Members of the Committee and the following points noted: -

- The narrative on page 6, final paragraph 'significant unmitigated risks' was highlighted and revised wording was recommended to clarify the challenging funding environment and external risk outwith our control. It was agreed that additional context around 'funding pressures' be added to the first line.
- A member asked if the funding pressures were comparable with other colleges and sector as a whole. It was explained that due to Audits being undertaken simultaneously it was not possible to compare with other colleges in real time and sight of these will occur after Scottish Government have received them in the first instance.
- It was also stated that alignment with the revised narrative of Risk 3 would ensure external challenges are identified.
- The addition of "in 2023/24 and **beyond**" in the final paragraph of page 6 was requested. Additional narrative to be provided. The Committee supported the agreed actions on the inclusion of narrative to clarify external factors.
- The Committee requested assurance that a national approach and best practice was being employed regarding the pension asset. DE confirmed that following discussion with Audit Scotland the approach was deemed congruent, and consistency was evident which provided assurance.

7.1.3 **ACTION: - A further draft will be provided with agreed changes. DE**

7.1.4 **The Committee noted the External Audit report.**

### **7.2 Letter of Representation, Draft Financial Statements | Paper 7.2 | Discussion | K. Hunter**

7.2.1 The Committee was asked to review the corporate governance statement and were advised that the accounts were subject to final approval and expecting an unqualified audit

opinion. These had been compiled in the format dictated by accounting practice and SFC. ... All final adjustments had been appraised by the Chair of the F&GP Committee and a revised copy will be sent to members showing the adjustments.

- 7.2.2 The Chair requested details of the Student Performance data which the Depute Principal shared with the Committee. The data showed that performance had improved overall suggesting that DGSEE was fully embedded and enhancing student performance. Some key groups were now more aligned with the overall improvement of the main cohort. The Principal added that through various networks it was evident that DGC was a high performing College with improved student outcomes and student satisfaction.
- 7.2.3 A query was raised regarding staff turnover figures on page 45 of the statements and how the College compared across the sector. It was confirmed that data was not currently available for Scotland and JM would raise the item within the HR network. DD stated that the figures were enhanced due to the ending of fixed term contracts and restructuring of contracts.
- 7.2.4 A point regarding the statement entitled 'going concern', showing amber within the risk register was raised and it was recommended that narrative be included to reference the 'external financial environment'. This was agreed.
- 7.2.5 **ACTION: - KH will strengthen the statement within the accounts.**
- 7.2.6 The Chair of the Board commended the financial position and welcomed the improved covering papers and thanked staff and auditors for their support.
- 7.2.7 The Committee commended the improved performance indicators and supported a public awareness campaign to spotlight KPIs and success and include this as part of a graduation speech.
- 7.2.8 **The Committee noted the report.**

## **8 Code of Good Governance Checklist | Paper 8.1 | Discussion | L. Grierson**

- 8.1 LG introduced the item for committee consideration and to agree that the checklist demonstrates the colleges compliance with each of the Code principles. This would also contribute to the external effectiveness review undertaken by CDN.
- 8.2 The action at C20 was discussed and it was agreed that it would be amended to state, 'The Chair of the Board of Management to liaise with staff/student Members regarding feedback re Principal's evaluation'.
- 8.3 **The Committee approved the report with the agreed change.**

## **FOR INFORMATION ONLY**

### **AOCB**

- 8.4 No items were raised.

## **9 Date of the Next Meeting**




The date of the next meeting is scheduled for Tuesday 19 March 2024 at 1600hrs.



**Dumfries and  
Galloway College**

One step ahead

Item 2  
AUD1123-2.2

Key	
	Ongoing
	Closed
	Overdue

## AUDIT COMMITTEE ACTION LOG 29.11.23

No	Meeting Date	Action	Lead	Deadline	Status	Commentary
1	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.
2	13/6/23	College Policies  Some HR Policies are impacted by protracted NJNC agreements which has resulted in college policies being out of date. The Committee would like to know which policies are impacted by this agreement.	JMc	<del>Sep 23</del> Nov 23	Closed	Will be followed up on the onboarding of the new HR Manager  NOV UPDATE: <ul style="list-style-type: none"><li>• Support staff annual leave procedure. Work on this has now been concluded and agreed by LJNC.</li><li>• Disciplinary Policy and underlying procedure still being discussed at national level prior to any changes locally.</li></ul>
3	13/6/23	Business Continuity Plan and overarching plan will be brought back to the Committee in due course.	BC	<del>Sep 23</del> <del>Nov 23</del> Mar 24	Ongoing	Zurich are assisting with the contingency plans at present, therefore the BC Plan will be brought to Audit Committee on 29 <sup>th</sup>

No	Meeting Date	Action	Lead	Deadline	Status	Commentary
						November, once they are complete.  NOV UPDATE: Business Continuity Plans are being progressed currently and will be brought to the meeting in March 2024.
4	19/9/23	Board Secretary to forward ToR for HR Sub-Committee to AH	LG	Sep 23	Closed	ToR forwarded to AH
5	19/9/23	Board Secretary to advise board members of mandatory training	LG	Sep 23	Closed	The following training has been arranged before each Board meeting. GDPR – Dec 23 EDI – Mar 24 Safeguarding Jun 24
6	19/9/23	<ul style="list-style-type: none"> <li>Board Secretary to include the item on Executive Capacity risk for discussion at the next Board Development Committee.</li> <li>Board Secretary to table the use of personal email addresses at the next BDC</li> </ul>	LG	<del>Dec 23</del> Mar 24	Ongoing	Will be added to the BDC agenda in due course.
7	19/9/23	Risk Management Policy to be redrafted to show managers responsibilities.	DD	Oct 23	Closed	Redrafted and presented to the BoM on 2/10/23
8	19/9/23	Risk Appetite Review – Risk 3 to be changed from averse to cautious	JC	Oct 23	Closed	Paper with recommendation for this change went to BoM on 2/10/23.



MEETING	AUDIT COMMITTEE
AGENDA ITEM:	3
PAPER NO:	AUD1123-3.1

Date	02 November 2023
Location	MS Teams On-line
Title of Paper	Strategic Risk Register
Presented By	Lorraine 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 by the 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.
- 3.2 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 changes**

- 3.3 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.

## 3.4 Finance and General Purposes Committee

- Risk 3 – Failure to Achieve Institutional Sustainability – *no change to scoring. Timely preparation of Management Accounts and forecasts added to Front Line Monitoring. SLT added to Oversight of Management Activity Monitoring*
  - FGP discussed at length the net rating of 20 being the same as the gross rating given the mitigations in place, however it was agreed that the funding element of the risk is still a significant concern and, therefore, the 20 rating should remain at this time.
- Risk 7 – Failure to achieve industrial relations - *no change to rating but description has been amended to: Failure to achieve effective Industrial Relations through local dialogue/relationships and effect of national campaigns from trade unions.*

## 3.5 Learning and Teaching Committee

- Risk 8 – Failure to achieve highest academic performance levels – **no change.**
  - L&T discussed Risk 8 and whether the impact of the recent industrial action and ASOS has impacted performance levels and increased the risk. As strike action has now ceased, it was agreed that the Risk will be reviewed again in January 2024 when it will be clear whether further industrial action will be taken and the impact this may cause.
- Risk 9 – Failure to adhere to academic compliance arrangements – **no change.**
- Risk 10 - Failure to achieve an effective student experience – **no change**

#### **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

<b>Risk</b>	<b>Mitigations</b>
Risks 4, 11	Paperwork attached for reference.

## 6. Implications

<b>Financial</b>	Yes	Financial loss and reputational damage and impact to financial sustainability.
<b>Legal</b>	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.
<b>Learning and Teaching</b>	Yes	Serious impact to the college's ability to operate and deliver education to students.
<b>Equalities</b>	No	

**L Grierson**

Secretary to the Board

2/11/23

## STRATEGIC RISK REGISTER

RISK DEFINITION		ORIGINAL TASK				RESIDUAL RISK					
No	Risk	Likelihood	Impact	Total	Risk Level	Likelihood	Impact	Total	Risk Level	Risk Appetite	Trend
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		Open	=
2	Legal actions; serious accident; incident or civil/criminal breach (BoM)										
		5	3	15		3	2	6		Cautious	=
Responsible Person – Executive Director of Finance and Planning											
3	Failure to achieve institutional sustainability (FGP)										
		4	5	20		4	5	20		Cautious	=
4	Financial Fraud (AUD)										
		4	3	12		3	2	6		Averse	=
6	Failure to meet regulatory obligations (BoM)										
		3	5	15		5	1	5		Avoid	=
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		Cautious	=
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		Avoid	=
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 SMTand 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

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					

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

<b>Reference to Departmental Risk Registers:</b>	Strategic
<b>Owner:</b>	Principal
<b>Description of the Risk:</b>	Failure of College strategy to meet the needs of Dumfries and Galloway Region and/or national priorities
<b>What are the possible consequences if the risk was to emerge?</b>	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 <b>LIKELIHOOD</b> of the risk occurring?	(A) 4/5	What is the predicted <b>IMPACT</b> of the risk?	(B) 4/5	What is the total risk score? (A x B)	16/25
The <b>GROSS</b> risk is therefore: (MIN/SIG/MAJ/FUN)	<b>Major Risk</b>				

3 LINES OF DEFENCE	MITIGATIONS	MONITORING
<b>FRONT LINE (Management Assurance)</b>  Operational Delivery /Systems /Quality Assurance /Supervision	<ul style="list-style-type: none"> <li>Workplans and oversight in line with ROA and Financial targets</li> </ul>	<ul style="list-style-type: none"> <li>Clear performance metrics for all strategic outcomes and linked to individual performance targets reviewed on regular basis</li> </ul>
<b>OVERSIGHT OF MANAGEMENT ACTIVITY</b>  Internal Compliance and quality checks / Legal and Regulatory / Financial controls / Management controls / Project assurance	<ul style="list-style-type: none"> <li>Robust strategic planning</li> <li>Effective environmental scanning</li> <li>Strong and effective partnerships</li> <li>Clear links between strategy and practice</li> <li>Concerted demands for increased activity levels</li> </ul>	<ul style="list-style-type: none"> <li>Membership of key strategic groups</li> <li>SLT Systems of Control and Reporting</li> <li>Amendment of strategic direction/plans to government policy and regional economic strategy</li> <li>Robust monitoring of activity targets via ROA and reported quarterly to SFC</li> </ul>
<b>INDEPENDENT ASSURANCE</b>  Internal Audit / external bodies		<ul style="list-style-type: none"> <li>Ongoing engagement and reporting to SFC</li> <li>Ongoing engagement and reporting to SDS</li> <li>External Audit</li> <li>BoM oversight</li> </ul>

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

What is the predicted <b>LIKELIHOOD</b> of the risk occurring?	(A) 3/5	What is the predicted <b>IMPACT</b> of the risk?	(B) 3/5	What is the total risk score? (A x B)	9/25
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Risk Status	Meeting 1 SIG	Meeting 2 SIG	Meeting 3	Meeting 4
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MEETING	AMENDMENTS TO RECORD
Q1	Net risk to remain as financial sustainability still an ongoing issue - Owner
Q2	Net risk to remain as financial sustainability still an ongoing issue - Owner
Q3	

<b>Q4</b>	
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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**

<b>Reference to Departmental Risk Registers:</b>	Strategic
<b>Owner:</b>	Principal
<b>Description of the Risk:</b>	Legal actions; serious accident; incident or civil/criminal breach
<b>What are the possible consequences if the risk was to emerge?</b>	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 <b>LIKELIHOOD</b> of the risk occurring?	(A) 5/5	What is the predicted <b>IMPACT</b> of the risk?	(B) 3/5	What is the total risk score? (A x B)	15/25
The <b>GROSS</b> risk is therefore: MIN/SIG/MAJ/FUND	<b>Significant Risk</b>				

3 LINES OF DEFENCE	MITIGATIONS	MONITORING
<b>FRONT LINE (Management Assurance)</b>  <b>Operational Delivery /Systems /Quality Assurance /Supervision</b>	<ul style="list-style-type: none"> <li>Mandatory staff training on regulatory compliance areas</li> <li>Continuous professional development</li> </ul>	<ul style="list-style-type: none"> <li>Records of staff training and completion</li> <li>Line Manager oversight</li> </ul>
<b>OVERSIGHT OF MANAGEMENT ACTIVITY</b>  <b>Internal Compliance and quality checks / Legal and Regulatory / Financial controls / Management controls / Project assurance</b>	<ul style="list-style-type: none"> <li>Adherence to legislative and good practice requirements</li> <li>Positive Union relations and staff communication</li> <li>Ongoing management development programmes</li> <li>Whistleblowing Policy</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring and reporting in key areas – e.g., H&amp;S, equalities, employee engagement, post-Covid arrangements</li> <li>Internal audit actions</li> <li>Staff surveys</li> </ul>
<b>INDEPENDENT ASSURANCE</b>  <b>Internal Audit / external bodies</b>	<ul style="list-style-type: none"> <li>External legal advice contract in place and used where appropriate</li> </ul>	<ul style="list-style-type: none"> <li>Internal and External Audit</li> <li>BoM oversight</li> </ul>

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

What is the predicted <b>LIKELIHOOD</b> of the risk occurring?	(A) 3/5	What is the predicted <b>IMPACT</b> of the risk?	(B) 2/5	What is the total risk score? (A x B)	6/25
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Risk Status	Meeting 1 MIN	Meeting 2 MIN	Meeting 3	Meeting 4
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MEETING	AMENDMENTS TO RECORD
Q1	Risk to remain as per previous score after treatment - Owner
Q2	Net risk to remain as per previous score - Owner
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**

<b>Reference to Departmental Risk Registers:</b>	Financial
<b>Owner:</b>	Executive Director of Finance and Planning
<b>Description of the Risk:</b>	Failure to achieve institutional sustainability
<b>What are the possible consequences if the risk was to emerge?</b>	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 <b>LIKELIHOOD</b> of the risk occurring?	(A) 4/5	What is the predicted <b>IMPACT</b> of the risk?	(B) 5/5	What is the total risk score? (A x B)	20/25
The <b>GROSS</b> risk is therefore: MIN/SIG/MAJ/FUND	<b>Major Risk</b>				

3 LINES OF DEFENCE	MITIGATIONS	MONITORING
<b>FRONT LINE (Management Assurance)</b>  <b>Operational Delivery /Systems /Quality Assurance /Supervision</b>	<ul style="list-style-type: none"> <li>• Increase commercial income to reduce reliance on SFC funding</li> <li>• Effective cost control</li> <li>• Active tracking of Credits achieved/forecast vs target</li> <li>• Protection of funding through dialogue with SFC</li> </ul>	<ul style="list-style-type: none"> <li>• Regular review of financial strategy and non-core income sensitivity</li> <li>• Finance business partnering to review budgets/spend with Managers and timely preparation of Management Accounts and forecasts</li> <li>• Continuous monitoring of demand v funding allocation of student funds</li> </ul>
<b>OVERSIGHT OF MANAGEMENT ACTIVITY</b>  <b>Internal Compliance and quality checks / Legal and Regulatory / Financial controls / Management controls / Project assurance</b>	<ul style="list-style-type: none"> <li>• Strategic plan and Operating Plans approved by BoM and Committee</li> <li>• Budgets approved by BoM and Committee</li> <li>• Major project business cases approved by BoM and Committee</li> <li>• Finance Directors Network</li> </ul>	<ul style="list-style-type: none"> <li>• Regular internal reporting to SLT, BoM and Committee</li> <li>• Regular interaction with Scottish Funding Council Finance Team</li> <li>• Knowledge exchange through Finance Directors Network / Colleges Scotland</li> <li>• VP and Principals Groups</li> </ul>
<b>INDEPENDENT ASSURANCE</b>  <b>Internal Audit / external bodies</b>	<ul style="list-style-type: none"> <li>• Internal Audit Programme agreed by BoM/Audit Committee</li> <li>• External Auditors appointed through Audit Scotland</li> <li>• Regional Outcome Agreement</li> </ul>	<ul style="list-style-type: none"> <li>• BoM/Committee review and approval of IA reports and action points tracking</li> <li>• Audit Committee/BoM oversight</li> <li>• Regular returns to Scottish Funding Council (FFR/FES)</li> </ul>

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

What is the predicted <b>LIKELIHOOD</b> of the risk occurring?	(A) 4/5	What is the predicted <b>IMPACT</b> of the risk?	(B) 5/5	What is the total risk score? (A x B)	20/25
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<b>Risk Status</b>	<b>Meeting 1 MAJ</b>	<b>Meeting 2 MAJ</b>	<b>Meeting 3</b>	<b>Meeting 4</b>
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MEETING	AMENDMENTS TO RECORD
Q1	No change by Owner
Q2	Timely preparation of Management Accounts and forecasts added to Front Line Monitoring. SLT added to Oversight of Management Activity Monitoring - Owner  FGP have considered the net rating given the mitigations in place, but agree that the funding element of the risk is still significant, therefore the rating will remain the same.
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**

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

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

What is the predicted <b>LIKELIHOOD</b> of the risk occurring?	(A) 4/5	What is the predicted <b>IMPACT</b> of the risk?	(B) 3/5	What is the total risk score? (A x B)	12/25
The <b>GROSS</b> risk is therefore: MIN/SIG/MAJ/FUN	<b>Significant Risk</b>				

3 LINES OF DEFENCE	MITIGATIONS	MONITORING
<b>FRONT LINE</b> (Management Assurance)  Operational Delivery /Systems /Quality Assurance /Supervision	<ul style="list-style-type: none"> <li>No PO / no Pay policy</li> <li>Scheme of financial delegation</li> <li>Segregation of duties and review of transactions</li> <li>Staff training and sharing of good practice for emerging fraud risks</li> </ul>	<ul style="list-style-type: none"> <li>Continuous review of financial controls</li> <li>Implementation of Internal Audit recommendations</li> </ul>
<b>OVERSIGHT OF MANAGEMENT ACTIVITY</b>  Internal Compliance and quality checks / Legal and Regulatory / Financial controls / Management controls / Project assurance	<ul style="list-style-type: none"> <li>Review of impact of any changes in structure or duties</li> <li>Public Interest Disclosure (Whistleblowing) Policy</li> <li>Review of lessons learned report from COGC</li> </ul>	<ul style="list-style-type: none"> <li>Continuous review of financial controls</li> <li>Budget / spend review</li> <li>Monitoring across SLT Directorates</li> </ul>
<b>INDEPENDENT ASSURANCE</b>  Internal Audit / external bodies	<ul style="list-style-type: none"> <li>Internal Audit plan</li> </ul>	<ul style="list-style-type: none"> <li>Internal Audit</li> <li>External Audit</li> <li>Counter Fraud Initiative</li> <li>Audit Committee/BoM oversight</li> </ul>

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

What is the predicted <b>LIKELIHOOD</b> of the risk occurring?	(A) 3/5	What is the predicted <b>IMPACT</b> of the risk?	(B) 2/5	What is the total risk score? (A x B)	6/25
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Risk Status	Meeting 1 MIN	Meeting 2 MIN	Meeting 3	Meeting 4
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MEETING	AMENDMENTS TO RECORD
Q1	Staff training and sharing of good practice added to Front Line Mitigations - Owner
Q2	No change - Owner
Q3	
Q4	

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

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

<b>Reference to Departmental Risk Registers:</b>	Organisational
<b>Owner:</b>	VP People and Transformation
<b>Description of the Risk:</b>	Business Continuity Incident – Fire, Systems, Emergency Procedures, Health threats
<b>What are the possible consequences if the risk was to emerge?</b>	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 <b>LIKELIHOOD</b> of the risk occurring?	(A) 4/5	What is the predicted <b>IMPACT</b> of the risk?	(B) 4/5	What is the total risk score? (A x B)	16/25
The <b>GROSS</b> risk is therefore: MIN/SIG/MAJ/FUN	<b>Major Risk</b>				

3 LINES OF DEFENCE	MITIGATIONS	MONITORING
<b>FRONT LINE</b> <b>(Management Assurance)</b>  <b>Operational Delivery /Systems /Quality Assurance /Supervision</b>	<ul style="list-style-type: none"> <li>Documented disaster recovery procedures regularly reviewed</li> <li>Separate COVID -19 – Risk Register /BCT Plan in place</li> <li>Sound systems of administration</li> <li>Staff CPD on business continuity themes</li> <li>Monitoring Public Health Advice</li> <li>Increased awareness of climate emergency issues</li> <li>Planning, careful phasing of changes to processes, systems, and equipment</li> <li>Effective management of / Asset Register in place</li> <li>Effective management of systems and GDPR</li> </ul>	<ul style="list-style-type: none"> <li>Adherence to local and national Public Health Guidance</li> <li>SA Climate awareness activities</li> <li>Regular review/reporting on milestones, systems effectiveness etc.</li> <li>Business Continuity Plan including scenario testing</li> <li>Active data protection monitoring and auditing</li> </ul>
<b>OVERSIGHT OF MANAGEMENT ACTIVITY</b>  <b>Internal Compliance and quality checks / Legal and Regulatory / Financial controls / Management controls / Project assurance</b>	<ul style="list-style-type: none"> <li>Rolling programme of routine updates to systems and equipment</li> </ul>	<ul style="list-style-type: none"> <li>Liaison with SFC and Colleges Scotland – COVID-19 response groups</li> <li>Climate Emergency College Group (includes Student Representatives)</li> </ul>
<b>INDEPENDENT ASSURANCE</b>  <b>Internal Audit / external bodies</b>	<ul style="list-style-type: none"> <li>Communication to stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Internal Audit on process and statutory compliance</li> <li>BoM oversight</li> </ul>

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

What is the predicted <b>LIKELIHOOD</b> of the risk occurring?	(A)  4/5	What is the predicted <b>IMPACT</b> of the risk?	(B)  3/5	What is the total risk score? (A x B)	12/25
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<b>Risk Status</b>	<b>Meeting 1 SIG</b>	<b>Meeting 2 SIG</b>	<b>Meeting 3</b>	<b>Meeting 4</b>
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MEETING	AMENDMENTS TO RECORD
Q1	No change by Owner
Q2	No change by Owner
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**

<b>Reference to Departmental Risk Registers:</b>	Organisational
<b>Owner:</b>	Executive Director of Finance and Planning
<b>Description of the Risk:</b>	Failure to meet regulatory obligations
<b>What are the possible consequences if the risk was to emerge?</b>	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 <b>LIKELIHOOD</b> of the risk occurring?	(A) 3/5	What is the predicted <b>IMPACT</b> of the risk?	(B) 5/5	What is the total risk score? (A x B)	15/25
The <b>GROSS</b> risk is therefore: MIN/SIG/MAJ/FUN	<b>Significant Risk</b>				

3 LINES OF DEFENCE	MITIGATIONS	MONITORING
<b>FRONT LINE (Management Assurance)</b>  Operational Delivery /Systems /Quality Assurance /Supervision	<ul style="list-style-type: none"> <li>Prevent, Health and Safety and Safeguarding training</li> <li>Staff awareness and contingency planning</li> <li>Engagement/practice sharing with local agencies</li> </ul>	<ul style="list-style-type: none"> <li>Business Continuity Plan including scenario testing</li> <li>Information sharing with local agencies</li> <li>HR monitors staff numbers trained</li> </ul>
<b>OVERSIGHT OF MANAGEMENT ACTIVITY</b> Internal Compliance and quality checks / Legal and Regulatory / Financial controls / Management controls / Project assurance	<ul style="list-style-type: none"> <li>Engagement/practice sharing with local agencies</li> <li>Board approval of SFC submissions</li> </ul>	<ul style="list-style-type: none"> <li>Information sharing with local agencies</li> <li>SFC obligations</li> </ul>
<b>INDEPENDENT ASSURANCE</b>  Internal Audit / external bodies		<ul style="list-style-type: none"> <li>Internal Audit across all areas</li> <li>Annual external Audit</li> <li>BoM oversight</li> </ul>

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

What is the predicted <b>LIKELIHOOD</b> of the risk occurring?	(A) 5/5	What is the predicted <b>IMPACT</b> of the risk?	(B) 1/5	What is the total risk score? (A x B)	5/25
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<b>Risk Status</b>	<b>Meeting 1 MIN</b>	<b>Meeting 2 MIN</b>	<b>Meeting 3</b>	<b>Meeting 4</b>
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MEETING	AMENDMENTS TO RECORD
Q1	No change by Owner
Q2	No change by Owner
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**

<b>Reference to Departmental Risk Registers:</b>	Organisational
<b>Owner:</b>	Vice Principal People and Transformation.
<b>Description of the Risk:</b>	Failure to achieve effective Industrial Relations through local dialogue/relationships and effect of national campaigns from trade unions
<b>What are the possible consequences if the risk was to emerge?</b>	Financial loss, impact to ability to effectively teach, industrial action, action short of strike action (ASOS), loss of reputation.

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

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

3 LINES OF DEFENCE	MITIGATIONS	MONITORING
<b>FRONT LINE (Management Assurance)</b>  Operational Delivery /Systems /Quality Assurance /Supervision	<ul style="list-style-type: none"> <li>Constructive formal and informal communication channels</li> <li>Regular meetings</li> <li>Staff awareness and contingency planning</li> </ul>	<ul style="list-style-type: none"> <li>LJNC</li> <li>College Employers Scotland advice and updates</li> <li>Regular union/management dialogue</li> </ul>
<b>OVERSIGHT OF MANAGEMENT ACTIVITY</b>  Internal Compliance and quality checks / Legal and Regulatory / Financial controls / Project assurance	<ul style="list-style-type: none"> <li>LJNC (Local Joint Negotiation Committee)</li> <li>Representation at Employers Assoc'n</li> <li>NRPA (National Recognition and Procedures Agreement)</li> <li>Engagement/practice sharing with local agencies</li> <li>Attendance at Strategic HR Network</li> </ul>	<ul style="list-style-type: none"> <li>ELT/SLT/Board</li> <li>Regular employee engagement monitoring</li> <li>Regular union/management dialogue</li> </ul>
<b>INDEPENDENT ASSURANCE</b> Internal Audit / external bodies	<ul style="list-style-type: none"> <li>College Employers Scotland</li> </ul>	<ul style="list-style-type: none"> <li>SFC/Scottish Government</li> <li>FGP/BoM oversight</li> </ul>

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

What is the predicted <b>LIKELIHOOD</b> of the risk occurring?	(A) 5/5	What is the predicted <b>IMPACT</b> of the risk?	(B) 3/5	What is the total risk score? (A x B)	15/25
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Risk Status	Meeting 1 SIG	Meeting 2 SIG	Meeting 3	Meeting 4
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MEETING	AMENDMENTS TO RECORD
Q1	<p>No changes by Owner. FGP asked for the description and consequences to be amended as below:</p> <ul style="list-style-type: none"> <li>Failure to achieve effective Industrial Relations through local dialogue/relationships and effect of national campaigns from trade unions.</li> <li>Consequences: Financial loss, impact to ability to effectively teach, industrial action, action short of strike action (ASOS), loss of reputation.</li> </ul>



Q2	No change by Owner.
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

<b>Reference to Departmental Risk Registers:</b>	Organisational
<b>Owner:</b>	DP Learning Skills and Student Experience
<b>Description of the Risk:</b>	Failure to achieve highest academic performance levels
<b>What are the possible consequences if the risk was to emerge?</b>	Loss of reputation in the region, financial sustainability, ability to attract future students and educational partners  <b>Note</b> – 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 <b>LIKELIHOOD</b> of the risk occurring?	(A) 4/5	What is the predicted <b>IMPACT</b> of the risk?	(B) 4/5	What is the total risk score? (A x B)	16/25
The <b>GROSS</b> risk is therefore: MIN/SIG/MAJ/FUN	<b>Major Risk</b>				

3 LINES OF DEFENCE	MITIGATIONS	MONITORING
<b>FRONT LINE</b> (Management Assurance)  <b>Operational Delivery /Systems /Quality Assurance /Supervision</b>	<ul style="list-style-type: none"> <li>Online reports with curriculum areas performance</li> <li>Action planning at curriculum area level</li> <li>Regular curriculum team meetings</li> </ul>	<ul style="list-style-type: none"> <li>Managers and Directors monitor course PIs</li> <li>Self-evaluation reporting monitored by Performance</li> </ul>
<b>OVERSIGHT OF MANAGEMENT ACTIVITY</b>  <b>Internal Compliance and quality checks / Legal and Regulatory / Financial controls / Management controls / Project assurance</b>	<ul style="list-style-type: none"> <li>College wide enhancement plan developed from self-evaluation</li> <li>Action planning from portfolio reviews</li> </ul>	<ul style="list-style-type: none"> <li>College wide enhancement plan monitored annually</li> <li>Annual portfolio review to examine improvement actions</li> <li>Regular reportage on performance to SLT</li> <li>Reportage to L&amp;T Committee on College wide self - evaluation and portfolio reviews</li> </ul>
<b>INDEPENDENT ASSURANCE</b>  <b>Internal Audit / external bodies</b>	<ul style="list-style-type: none"> <li>Annual scrutiny by Education Scotland annually by HMI and STMs</li> <li>Self-evaluation reportage to Scottish Funding Council</li> </ul>	<ul style="list-style-type: none"> <li>Reportage by Education Scotland presented to the BoM</li> <li>SFC Outcome Team monitor returns and provide feedback as required</li> </ul>

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

Risk Status	Meeting 1 SIG	Meeting 2 SIG	Meeting 3	Meeting 4
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MEETING	AMENDMENTS TO RECORD
Q1	No change by Owner
Q2	No change by Owner L&T discussed Risk 8 and whether the impact of the recent industrial action and ASOS has impacted performance levels and increased the risk. As strike action has now ceased, it was agreed that the Risk will be reviewed again in January 2024 when it will be clear whether further industrial action will be taken and the impact this may cause.
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**

<b>Reference to Departmental Risk Registers:</b>	Organisational
<b>Owner:</b>	DP Learning Skills and Student Experience
<b>Description of the Risk:</b>	Failure to adhere to academic compliance arrangements, eg awarding bodies, Education Scotland
<b>What are the possible consequences if the risk was to emerge:</b>	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 <b>LIKELIHOOD</b> of the risk occurring?	(A) 4/5	What is the predicted <b>IMPACT</b> of the risk?	(B) 3/5	What is the total risk score? (A x B)	12/25
The <b>GROSS</b> risk is therefore: MIN/SIG/MAJ/FUN	<b>Significant risk</b>				

3 LINES OF DEFENCE	MITIGATIONS	MONITORING
<b>FRONT LINE</b> <b>(Management Assurance)</b>  <b>Operational Delivery /Systems /Quality Assurance /Supervision</b>	<ul style="list-style-type: none"> <li>Assessor marks in line with national standards utilising awarding body resources.</li> <li>Action planning at curriculum area level</li> <li>Regular curriculum team meetings</li> </ul>	<ul style="list-style-type: none"> <li>Internal verifier appointed for each unit and a cycle of verification is followed.</li> <li>Self-evaluation reporting monitored by Performance</li> </ul>
<b>OVERSIGHT OF MANAGEMENT ACTIVITY</b>  <b>Internal Compliance and quality checks / Legal and Regulatory / Financial controls / Management controls / Project assurance</b>	<ul style="list-style-type: none"> <li>Management scrutiny of the cycle of verification and appointment of internal verifiers.</li> <li>Issues from internal verification are identified and action planned to ensure conformity with national standards.</li> <li>College wide enhancement plan developed from self-evaluation</li> </ul>	<ul style="list-style-type: none"> <li>Scrutiny of internal verification reports by managers.</li> <li>SLT scrutiny of annual verification activity.</li> <li>College wide enhancement plan monitored annually</li> <li>Reportage to L&amp;T Committee on College wide self -evaluation and portfolio reviews</li> </ul>
<b>INDEPENDENT ASSURANCE</b>  <b>Internal Audit / external bodies</b>	<ul style="list-style-type: none"> <li>External verification by awarding body according to an annual cycle and risk</li> <li>Annual scrutiny by Education Scotland annually by HMI and STMs</li> <li>Self-evaluation reportage to Scottish Funding Council</li> </ul>	<ul style="list-style-type: none"> <li>External verifier presents report of visit to curriculum and performance team.</li> <li>Performance directorate monitor external verification and report to SLT and the L&amp;T Committee.</li> <li>Reportage by Education Scotland presented to the BoM</li> <li>SFC Outcome Team monitor returns and provide feedback as required</li> </ul>

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

What is the predicted <b>LIKELIHOOD</b> of the risk occurring?	(A) 2/5	What is the predicted <b>IMPACT</b> of the risk?	(B) 2/5	What is the total risk score? (A x B)	4/25
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<b>Risk Status</b>	<b>Meeting 1 MIN</b>	<b>Meeting 2 MIN</b>	<b>Meeting 3</b>	<b>Meeting 4</b>
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MEETING	AMENDMENTS TO RECORD
Q1	No change by Owner
Q2	No change by Owner
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**

<b>Reference to Departmental Risk Registers:</b>	Organisational
<b>Owner:</b>	DP Learning, Skills and Student Experience ( <i>Inc Infrastructure/Marketing/ICT</i> )
<b>Description of the Risk:</b>	Failure to achieve an effective student experience
<b>What are the possible consequences if the risk was to emerge?</b>	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 <b>LIKELIHOOD</b> of the risk occurring?	(A)  3/5	What is the predicted <b>IMPACT</b> of the risk?	(B)  4/5	What is the total risk score? (A x B)	12/25
The <b>GROSS</b> risk is therefore: MIN/SIG/MAJ/FUND	<b>Significant Risk</b>				

<b>3 LINES OF DEFENCE</b>	<b>MITIGATIONS</b>	<b>MONITORING</b>
<b>FRONT LINE</b> <b>(Management Assurance)</b>  <b>Operational Delivery /Systems /Quality Assurance /Supervision</b>	<ul style="list-style-type: none"> <li>• Clear arrangements for applications, onboarding and retention</li> <li>• Student block surveys and Student Satisfaction and Engagement Survey (SSES)</li> <li>• Student engagement prior to course start and on course</li> <li>• Continuous self- evaluation and action planning by support and teaching areas</li> <li>• Action planning at curriculum area level</li> <li>• Regular curriculum team meetings</li> <li>• Students' association officers' meetings with students</li> <li>• Student focus groups</li> <li>• Student class representatives input to course teams</li> </ul>	<ul style="list-style-type: none"> <li>• Review of early student experience</li> <li>• Performance return survey and SSES results to CMs</li> <li>• Performance enhancement measure support areas to improve the student experience</li> <li>• Self-evaluation reporting monitored by Performance and Directors</li> </ul>
<b>OVERSIGHT OF MANAGEMENT ACTIVITY</b>  <b>Internal Compliance and quality checks / Legal and Regulatory / Financial controls / Management controls / Project assurance</b>	<ul style="list-style-type: none"> <li>• College wide enhancement plan developed from self-evaluation</li> <li>• Action planning from portfolio reviews</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring of College wide enhancement plan</li> <li>• Portfolio review to examine improvement actions</li> <li>• Regular reportage on performance and student satisfaction to SLT</li> <li>• Reportage to L&amp;T Committee on College wide self - evaluation, enhancement plan and portfolio reviews</li> </ul>
<b>INDEPENDENT ASSURANCE</b>  <b>Internal Audit / external bodies</b>	<ul style="list-style-type: none"> <li>• Annual scrutiny by Education Scotland annually by HMI and STMs</li> <li>• Self-evaluation reportage to Scottish Funding Council</li> </ul>	<ul style="list-style-type: none"> <li>• Reportage by Education Scotland presented to the BoM</li> <li>• SFC Outcome Team monitor returns and provide feedback as required</li> </ul>

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

What is the predicted <b>LIKELIHOOD</b> of the risk occurring?	(A)  2/5	What is the predicted <b>IMPACT</b> of the risk?	(B)  4/5	What is the total risk score? (A x B)	8/25
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Risk Status	Meeting 1 MIN	Meeting 2 MIN	Meeting 3	Meeting 4
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MEETING	AMENDMENTS TO RECORD
Q1	No change by Owner
Q2	No change by Owner
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**

<b>Reference to Departmental Risk Registers:</b>	Organisational
<b>Owner:</b>	VP People and Transformation
<b>Description of the Risk:</b>	Failure to achieve and maintain systems and operable and secure ICT
<b>What are the possible consequences if the risk was to emerge?</b>	Serious impact to the college's ability to operate and deliver education to students, financial loss, loss of data and reputation

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

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

3 LINES OF DEFENCE	MITIGATIONS	MONITORING
<b>FRONT LINE (Management Assurance)</b>  <b>Operational Delivery /Systems /Quality Assurance /Supervision</b>	<ul style="list-style-type: none"> <li>Documented disaster recovery procedures</li> <li>Cyber Incident disaster recovery plan and training</li> <li>Staff CPD on business continuity areas including Cyber security</li> <li>Firewalls and antivirus software in place</li> </ul>	<ul style="list-style-type: none"> <li>Cyber exercises</li> <li>Regular planned security monitoring.</li> <li>Desktop DRP exercises carried out and reviewed regularly.</li> <li>Network traffic regularly monitored.</li> </ul>
<b>OVERSIGHT OF MANAGEMENT ACTIVITY</b>  <b>Internal Compliance and quality checks / Legal and Regulatory / Financial controls / Management controls / Project assurance</b>	<ul style="list-style-type: none"> <li>Regular internal review of security measures and action around areas of concern;</li> <li>Regular cyber/phishing exercises;</li> </ul>	<ul style="list-style-type: none"> <li>Feedback via SLT/ELT on monitoring statistics;</li> <li>Regular Board reporting around cyber position;</li> </ul>
<b>INDEPENDENT ASSURANCE</b>  <b>Internal Audit / external bodies</b>	<ul style="list-style-type: none"> <li>CISO (Chief Information Security Officer) service in place through HEFESTIS.</li> </ul>	<ul style="list-style-type: none"> <li>Regular reporting and risk assessment.</li> <li>Audit Committee/BoM oversight</li> </ul>

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

What is the predicted <b>LIKELIHOOD</b> of the risk occurring?	(A) 3/5	What is the predicted <b>IMPACT</b> of the risk?	(B) 4/5	What is the total risk score? (A x B)	12/25
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Risk Status	Meeting 1 SIG	Meeting 2 SIG	Meeting 3	Meeting 4
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MEETING	AMENDMENTS
Q1	No change by Owner
Q2	No change by Owner
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**

<b>Reference to Departmental Risk Registers:</b>	Organisational
<b>Owner:</b>	VP People and Transformation
<b>Description of the Risk:</b>	Failure to meet regulatory health & safety obligations
<b>What are the possible consequences if the risk was to emerge?</b>	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 <b>LIKELIHOOD</b> of the risk occurring?	(A) 4/5	What is the predicted <b>IMPACT</b> of the risk?	(B) 5/5	What is the total risk score? (A x B)	20/25
The <b>GROSS</b> risk is therefore: (MIN/SIG/MAJ/FUN)	<b>Major Risk</b>				

3 LINES OF DEFENCE	MITIGATIONS	MONITORING
<b>FRONT LINE (Management Assurance)</b>  <b>Operational Delivery /Systems /Quality Assurance /Supervision</b>	<ul style="list-style-type: none"> <li>Reporting and review procedure including "near miss"</li> <li>Health and Safety IOSH training for staff</li> <li>Regular communication on responsibilities</li> <li>Specific communication at time of increased risk e.g. Covid, building works, adverse weather</li> </ul>	<ul style="list-style-type: none"> <li>Regular, formal Health &amp; Safety Committee</li> </ul>
<b>OVERSIGHT OF MANAGEMENT ACTIVITY</b>  <b>Internal Compliance and quality checks / Legal and Regulatory / Financial controls / Management controls / Project assurance</b>	<ul style="list-style-type: none"> <li>Clear channels of communication regarding issues and preventative actions</li> </ul>	<ul style="list-style-type: none"> <li>Regular, formal Health &amp; Safety Committee</li> <li>Reporting to Audit Committee / BoM</li> </ul>
<b>INDEPENDENT ASSURANCE</b>  <b>Internal Audit / external bodies</b>		<ul style="list-style-type: none"> <li>Internal Audit</li> <li>Public Health</li> <li>Environmental Health</li> </ul>

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

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

<b>Risk Status</b>	<b>Meeting 1 SIG</b>	<b>Meeting 2 SIG</b>	<b>Meeting 3</b>	<b>Meeting 4</b>
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MEETING	AMENDMENTS TO RECORD
Q1	No change by Owner
Q2	No change by Owner
Q3	
Q4	

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

<b>MEETING</b>	<b>AUDIT COMMITTEE</b>
<b>Agenda Item:</b>	<b>4</b>
<b>Paper No:</b>	<b>4.1</b>

<b>Date</b>	29 November 2023
<b>Location</b>	MS Teams
<b>Title of Paper</b>	Audit Committee Annual report
<b>Presented By</b>	Gillian Brydson
<b>Recommendation</b>	Approval
<b>Appendix Attached</b>	YES
<b>Disclosable Under FOISA</b>	NO

Read Time: 10 minutes

# **1. Recommendation**

- The Committee is asked to note the work of the Audit Committee during 2022-23 and approve the Annual Report for the year for submission to the Board of Management.

## **2. Executive Summary**

- 2.1 The purpose of this report is to advise the Board of management on the activities and decisions of the Audit Committee during the financial year 2022-23 and to provide opinions on matters specified by the Code of Audit practice

## **3. Report**

### **3.1 Background and Membership**

- 3.1.1 It is a requirement of the Code of Audit Practice and the College's Standing Orders and Financial Regulations that the Audit Committee provides the Board with an Annual Report so that all members of the Board can be fully informed of, amongst other things, aspects of the system of Internal Control. The Audit Committee work with the Internal and External Auditors independently of College Staff and report directly to the Board of Directors. Part of the remit of the Audit Committee is to give reassurance that the systems of governance, risk management and internal controls across the College are maintained at acceptable levels.

- 3.1.2 The period covered by this report is the twelve-month period 1 August 2022 to 31 July 2023.

- 3.1.3 The membership of the Committee during the period was:

Gillian Brydson (Chair)  
Will Dowson  
Ann Hill  
Sue Irving  
Jamie Ross  
Malcolm MacLeod – after 06.23

- 3.1.4 Other attendees at Audit Committee meetings included:

Joanna Campbell (Principal)  
Caroline Stuart (Chair of the Board)  
Douglas Dickson (Depute Principal)  
Jill Galloway (VP People and Transformation)  
Steve Uphill (Interim VP Finance, Strategy and Sustainability until 12.23)  
Ritchie Nicoll  
Rob Barnett (RSM)  
Mike Gibson (RSM)  
David Eardley (Azets)  
Alex Elkins (Executive Assistant)  
Allison Donnelly (Note taker)  
Lorraine Grierson (Sec to the Bd)  
Karen Hunter (Director of Finance)

3.1.5 During the period, the Committee's formal meetings were as follows:

<b>Date of Meeting:</b>	<b>Board members present:</b>
05.09.22	G Brydson, W Dowson, S Irving, J Ross
29.11.22	G Brydson, W Dowson, A Hill, S Irving, J Ross
13.06.23	G Brydson, W Dowson, A Hill, S Irving, J Ross

3.1.6 A meeting scheduled for 9 March 2023 was cancelled due to no quorum.

3.1.7 There was an average attendance of 4.6 members (93%)

3.1.8 Following the impact of the COVID-19 pandemic on Dumfries and Galloway College, the Audit Committee has continued to meet remotely.

### 3.2 Key work of the Audit Committee during 2022-23

3.2.1 Risk Management is an integral part of the overall governance arrangements of the College, and as such there are specific responsibilities for people and groups undertaking different roles in the organisation. The Board of Management has responsibility to:

- establish the overall culture and ethos in respect of risk and opportunity management within the College as a whole.
- approve major decision affecting the College risk profile or exposure in accordance with appropriate financial strategy and procedures.
- 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.

3.2.2 The Board of Management has delegated responsibility for Risk Management to the Audit Committee. The Audit Committee monitor and report to the Board on internal controls and alert Board Members to any significant emerging issues.

3.2.3 The Risk Management Policy has recently been updated, with oversight by the Audit Committee. The Risk management Policy outlines approaches and arrangements in respect of the management, oversight, control, mitigation, evaluation and reporting of risks associated with College operation and activities. The Policy ensures that significant risks are monitored and managed more closely and confirms roles and responsibilities of the Board of Management, Executive Team and others in the effective management of risk.

3.2.4 The Audit Committee continue to monitor and update the Risk Register based on feedback from the Internal and External Auditors. Throughout the year, the Audit Committee review the reports from the Internal Auditors and discuss the findings for each Risk area.

3.2.5 The Audit Committee exercises the right to deep dive other risks as appropriate. As the Audit Committee maintain the risk registers, they discuss the potential requirement for any additional deep dives into specific risks regularly.

3.2.6 Specifically, during 2022-23 the Audit Committee has overseen the following in order to give reassurance on the levels of risk faced by the College:

- Maintain the risk register and progress for each area
- Considered the Internal Audit report for 2021-22
- Considered the individual reports during the 2022-23 Internal Audit reviews
- Maintained a tracker for implementation of recommendations from the internal audit investigations
- Considered and approved the internal audit plan for 2023-24
- Considered the External Audit report and financial statements for 2021-22
- Involved in the plan for the 2022-23 external audit

3.2.7 The Audit committee will review the outcome of the 2022-23 external audit in order to give assurance to the Board of Directors that the College is compliant in its approach to governance, risk and control.

### 3.3 Internal Audit

3.3.1 RSM acted as internal auditors throughout the year.

3.3.2 RSM's Annual Audit Report for 2022-23 was presented at the September 2023 Audit Committee Meeting. The report provides an annual internal audit opinion:

#### **The Opinion**

*For the 12 months ended 31<sup>st</sup> July 2023, the Head of Internal Audit opinion for Dumfries and Galloway College is as follows:*

*The organisation has an adequate and effective framework for risk management, governance and internal control.*

*However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.*

3.3.3 A copy of the full report is detailed in RSM's 'Annual Internal Audit Report and opinion Year ended 31 July 2023'.

3.3.4 A summary of the internal audits undertaken, and the resulting opinion, is provided below.

Assignment	Assurance level	Actions agreed		
		L	M	H
Further Education Statistical (FES) Return	Reasonable Assurance	1	0	1
Student Support Funds	Advisory	0	1	0
Health and Safety	Substantial Assurance	0	0	0
HR: Recruitment	Substantial Assurance	2	1	0
Cyber Security/ Disaster Recovery	Partial Assurance	6	7	0
Follow up of Previous Audit Management Actions	Good progress	3	0	0
HR: Processing Activities	Reasonable Assurance	4	5	0
Equality, Diversity, and Inclusion (EDI)	Reasonable Assurance	2	3	0
<b>Total (2022-23)</b>		<b>18</b>	<b>17</b>	<b>1</b>
Total (2021-22)		28	7	0

3.3.5 The recommendations are categorised by the auditors according to the level of priority – High, Medium, and Low, and are prioritised to reflect the auditors' assessment of risk associated with the control weaknesses.

3.3.6 In addition, Suggestions may be included as part of the Action Plan reported. These are not formal recommendations that impact the overall audit opinion but used to highlight a suggestion or idea that management may want to consider.

3.3.7 17 of the recommendations made during the year were categorised as Medium Priority, with 18 categorised as Low Priority.

3.3.8 One High Priority management action was made during the year which related to monitoring student engagement for Open Learning.

3.3.9 Where a recommendation is not accepted this is documented in the individual audit reports considered by the Audit Committee. In general, recommendations may not be accepted where it is considered that the benefits of implementation are outweighed by the costs.

3.3.10 Factors and Findings which have informed the Internal Audit Opinion were noted in RSM's report as follows:

- **Governance** – RSM did not perform a specific governance review at the College in 2022-23, however they have covered elements of the governance framework in place for the following reviews and have used that work to support their governance opinion:



- Health and Safety
- Cyber Security/ Disaster Recovery
- HR: Recruitment
- Equality, Diversity and Inclusion (EDI)

The Health and Safety, HR: Recruitment and EDI reviews resulted in a positive assurance opinion (one Substantial, two Reasonable) being provided to the Board. ...H

- **Risk** – although RSM have not undertaken a specific review of the College's Risk management arrangements, their annual report notes that their risk management opinion is informed by the assessment of risk mitigation controls and compliance with those controls in their risk-based reviews in the following areas:

- Health and Safety
- Cyber Security/ Disaster Recovery

...

- **Control** – RSM undertook six audits (including the two risk driven reviews mentioned above) of the control environment that resulted in formal assurance opinions. Those reviews concluded that the Board could take two **Substantial assurance** (positive) opinions, three **Reasonable assurance** (positive) opinions.. Furthermore, the implementation of agreed management actions agreed during the course of the year are an important contributing factor when assessing the overall opinion on control. RSM have performed a Follow Up review during the year which concluded in **reasonable** (positive) progress had been made towards the implementation of those actions agreed.

3.3.11 The Scottish Further and Higher Education Funding Council requires internal audit to provide an appraisal each year on the College's arrangements for value for money. RSM have not performed a specific value for money review but have considered the arrangements in place as part of each individual assignment. The College are currently reviewing all processes with a view to automation where possible.

3.3.12 RSM concluded the College are aware of arrangements in place to promote and secure Value for Money and taking steps to improve processes through the acquisition or utilisation of relevant software.

### 3.4 External Auditors

3.4.1 The external auditors throughout the period were Azets, Exchange Place 3, Semple Street, Edinburgh.

- 3.4.2 Audit Scotland have approved the appointments for the audits of financial years 2022-23 to 2026-27 and confirmed that Azets Audit services will be the auditor for Dumfries and Galloway College for the audits of 2022-23 to 2026-27.
- 3.4.3 The fundamental objective of the planning, approach and execution of the audit is to enable the auditors to express an opinion on whether or not the financial statements, as a whole, give a true and fair view of the activities of the College since the last audit and of its state of affairs as at the Balance Sheet date.
- 3.4.4 We confirm that the external auditors have been approved by the Auditor General in accordance with the Code of Audit Practice and the letter from the Auditor General dated 20 April 2000 for provision of external audit services for the financial period 2022-23.
- 3.4.5 The external audit of the financial statements for the period ended 31<sup>st</sup> July 2023 commenced in September 2023, and Azets will issue their report '2022-23 Annual Audit Report to the Board of Management and the Auditor General for Scotland' at the December Board meeting.

### **3.5 The Financial Statements**

- 3.5.1 The College external Auditors, Azets, will issue their Draft 2022-23 Annual Audit Report, and a copy will be provided to this Committee.

### **3.6 Other Matters**

- 3.6.1 There are no matters arising from trusts, joint ventures, subsidiary, or associated companies.
- 3.6.2 There are no incidents of fraud.
- 3.6.3 There are no foreseeable events that will affect the work of the Audit Committee.

### **3.7 Opinion**

- 3.7.1 *The financial statements present an accurate view of the state of affairs of the College at 31 July 2023 and of the surplus and cash flows for the year then ended and have been properly prepared;*

*Funds from the Scottish Funding Council and others have been used for the purposes for which they were given;*

*The College has complied with the Board's Standing Orders and Financial Regulations and where appropriate, the Financial Memorandum dated December 2014 from the Scottish Funding Council;*

*The College has appropriate systems in place to record, process, summarise and report financial and other relevant data. We have not identified any significant weaknesses or governance issues in the College's accounting and internal control systems throughout the period.*

*We are satisfied that the Board continued to receive sufficient and appropriate information throughout the period to support the effective and timely scrutiny and challenge.*

3.7.2 The Audit Committee's view on the Board of Management's responsibilities, as described in the responsibilities of the Board of Management Statement, is that they have been satisfactorily discharged.

3.7.3 The Audit Committee believes that the Code of Audit Practice, and the Financial Memorandum, were fully complied with during 2022-23.

#### **4. Strategic Implications**

4.1 This paper links to Strategic Priority 4, Growth and Financial Sustainability.

#### **5. Risk**

<b>Risk</b>	<b>Mitigations</b>
Risk 4 – Financial Fraud	<ul style="list-style-type: none"><li>• No PO / no Pay policy</li><li>• Scheme of financial delegation</li><li>• Segregation of duties and review of transactions</li><li>• Staff training and sharing of good practice for emerging fraud risks</li></ul>

**6. Implications**

<b>Financial</b>	<del>Yes/no</del>	The financial statements for 2022-23 show an underlying break-even out turn for the year. The key risk is a change to the final level of pay award for the period to July 2023.
<b>Legal</b>	<del>Yes/no</del>	
<b>Learning and Teaching</b>	<del>Yes/no</del>	
<b>Equalities</b>	<del>Yes/no</del>	

**Gillian Brydson**

**Chair of the Audit Committee**

**28 November 2023**



# Dumfries and Galloway College

## Internal Audit Progress Report

**29 November 2023**

This report is solely for the use of the persons to whom it is addressed.

To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.



# Contents

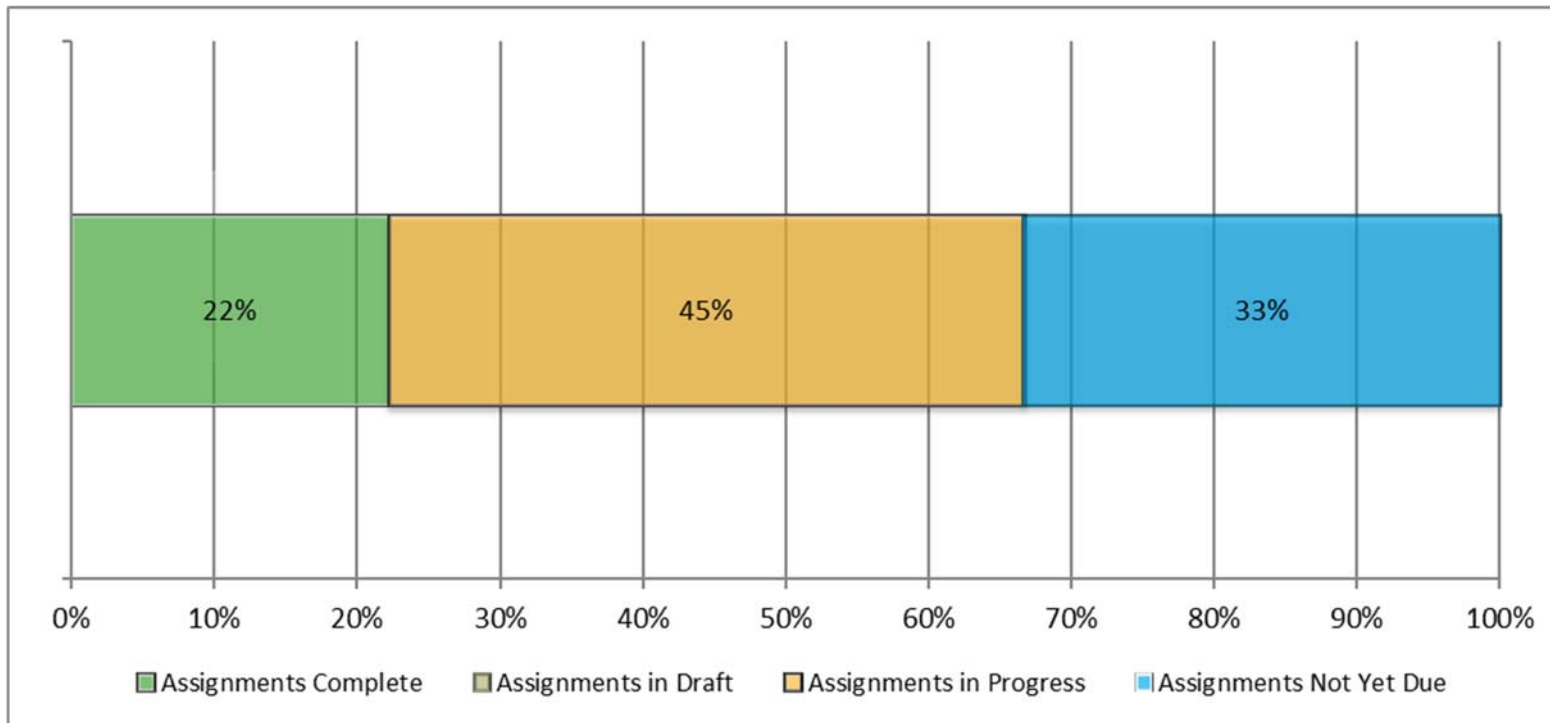
- 1. Key messages ..... 3
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## 1. Key messages

The internal audit plan for 2023/24 was approved by the Audit Committee at the 13 June 2023 meeting.



The graph below provides a summary update on progress against the 2023/24 plan.



## 2. Reports

### 2.1 Summary of final reports being presented to this committee

This section summarises the reports that have been finalised since the last meeting.

Assignment	Opinion issued	Actions agreed		
		L	M	H

#### FES Return (1.23.24)

Reasonable Assurance

1

1

0

#### Objective:

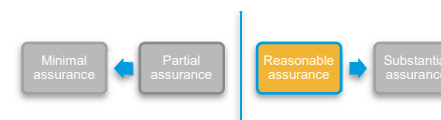
The College has appropriate systems and controls in place to support its underlying data that supports its further educational statistical return and supporting systems.

#### Conclusion:

Our review established that the College has in place appropriate and adequate systems and controls, which operate effectively to support the College's FES return in accordance with the 2022/23 guidance issued by the SFC. We have reported below two areas where our testing identified credit count variances in relation to non-fundable programmes, the discrepancies are summarised below. As a result of our review, we have agreed one medium and one low priority management action and one suggestion.

The medium priority management action was as follows:

- Through sample testing and analysis of learners' credits in respect of those who did not meet the 25% required attendance date, we identified issues where the College was not able to provide sufficient evidence the learner had engaged with the programme consistently to support a credit claim. This impacted a total of 8.975 credits from our sample of 15 learners, and an additional 1 credit identified as a learner who was withdrawn prior to the 25% required date. There is a risk that the College may be claiming credits for open and distance learning students who have not sufficiently engaged with their courses, resulting in an ineligible claim. We note this was raised as a high priority action as part of the 2022/23 audit; however as the process has been revised since prior year and the College does now have a system in place to provide monitoring of engagement. In addition, the College is introducing a further control for 2023/24. Therefore, we have reduced the priority of this action.







Assignment	Opinion issued	Actions agreed		
		L	M	H
<b>Student Support Fund (2.23.24)</b>	Substantial Assurance	0	0	0
<u>Objective:</u> Payments to students are genuine claims for hardship, bursary or EMA, and have been processed and awarded in accordance with College procedures and SFC funding guidance.				
<u>Conclusion:</u> Our review has established that the College has appropriate and adequate systems and controls in place to manage student support funds received from the SFC, and we concluded that those systems and controls in place are operating effectively and in accordance with the SFC guidance for 2022 / 2023. We have not identified any findings as part of our audit review and therefore no management actions have been raised.				



2.2 Themes arising from control observations

	Low	Medium	High
Policies and / or procedures	1	1	0
Governance weakness	0	0	0
Training / awareness for staff	0	0	0
Management or performance information	0	0	0
Non-compliance with policies / procedures	0	0	0

We do not have any concerns in respect of themes arising to raise with the Audit Committee at this stage.

## Appendix A – Progress against the internal audit plan 2023/24

Assignment and Executive Lead	Status / Opinion issued	Actions agreed			Target Audit Committee (as per IA plan 31 July 2024 / change control*)	Actual Audit Committee
L	M	H				
FES Return	Reasonable Assurance	1	1	0	November 2023	November 2023
Student Support Fund	Substantial Assurance	0	0	0	November 2023	November 2023
Risk Management	Fieldwork complete, draft report in progress	-	-	-	November 2023	-
Financial Planning / Budget Monitoring	<b>Planning document issued and agreed</b>	-	-	-	February 2024	-
	Fieldwork scheduled for week commencing 4 December 2023					
Awarding Body Activity	Fieldwork scheduled for week commencing 11 March 2024	-	-	-	June 2024	-
Student Onboarding	Fieldwork scheduled for week commencing 13 May 2024	-	-	-	September 2024	-
GDPR*	<b>Planning document issued</b>	-	-	-	February 2024	-
	Fieldwork scheduled for week commencing 15 December 2023					
Business Continuity Planning*	<b>Planning document issued</b>	-	-	-	September 2024	-
	Fieldwork scheduled for week commencing 10 June 2024					

\* See changes to audit plan in Appendix B below.

## Appendix B – Other matters

### Changes to the audit plan

Detailed below are the changes to the audit plan:

Note	Auditable area	Reason for change
1.	GDPR / Business Continuity Planning	<p>At the request of management, owing to the ongoing development of a new BCP Framework, we have agreed to swap these two audits from their original dates as follows:</p> <ul style="list-style-type: none"><li>• GDPR was scheduled for week commencing 6 June 2024 and will now be performed in week commencing 11 December 2023.</li><li>• BCP was scheduled for week commencing 11 December 2023 and will now be performed in week commencing 6 June 2024.</li></ul> <p>Audit Committee due dates have been adjusted accordingly.</p>

### Quality assurance and continual improvement

To ensure that RSM remains compliant with the IIA standards and the financial services recommendations for Internal Audit we have a dedicated internal Quality Assurance Team who undertake a programme of reviews to ensure the quality of our audit assignments. This is applicable to all Heads of Internal Audit, where a sample of their clients will be reviewed. Any findings from these reviews being used to inform the training needs of our audit teams.

The Quality Assurance Team is made up of; the Head of the Quality Assurance Department (FCA qualified) and an Associate Director (FCCA qualified), with support from other team members across the department.

This is in addition to any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments.



## Post assignment surveys

We are committed to delivering an excellent client experience every time we work with you. Your feedback helps us to improve the quality of the service we deliver to you.

Currently, following the completion of each product we deliver we attached a brief survey for the client lead to complete.

We would like to give you the opportunity to consider how frequently you receive these feedback requests; and whether the current format works. Options available are:

- After each review (current option).
- Monthly / quarterly / annual feedback request.
- Executive lead only, or executive lead and key team members.

## Appendix C - Key performance indicators (KPIs)

Delivery				Quality			
	Target	Actual	Notes (ref)		Target	Actual	Notes (ref)
Audits commenced in line with original timescales	Yes	Yes	*	Conformance with PSIAS and IIA Standards	Yes	Yes	
Draft reports issued within 10 days of debrief meeting	10 days	10 days		Liaison with external audit to allow, where appropriate and required, the external auditor to place reliance on the work of internal audit	Yes	Yes	
Management responses received within 10 days of draft report	10 days	31 days		Response time for all general enquiries for assistance	2 working days	2 days	
Final report issued within 3 days of management response	3 days	1 day		Response for emergencies and potential fraud	1 working day	1 day	

### Notes

\* This takes into account changes agreed by management and Audit Committee during the year. Through employing an 'agile' or a 'flexible' approach to our service delivery we are able to respond to your assurance needs.



## For more information contact

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[Robert.Barnett@rsmuk.com](mailto:Robert.Barnett@rsmuk.com)

+44 7791 237658

### **rsmuk.com**

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of Dumfries and Galloway College, and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM UK Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

RSM UK Risk Assurance Services LLP is a limited liability partnership registered in England and Wales no. OC389499 at 6th floor, 25 Farringdon Street, London EC4A 4AB.

<b>Debrief held</b>	15 September 2023
<b>Additional evidence and debrief held</b>	25 September 2023
<b>Draft report issued</b>	6 October 2023
<b>Responses received</b>	20 November 2023
<b>Final report issued</b>	20 November 2023

<b>Internal audit Contacts</b>	Robert Barnett, Head of Internal Audit Mike Gibson, Client Manager Hollie Adams, Assistant Manager Grace Kunzler, Internal Auditor
<b>Client sponsor</b>	Karen Hunter, Director of Finance and Planning Joanna Ward, Student Records Manager
<b>Distribution</b>	Karen Hunter, Director of Finance and Planning Joanna Ward, Student Records Manager

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[RSM post-engagement survey](#)

We thank you again for working with us.

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The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

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We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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