

Status: Approved

Audit Committee Meeting

Minute of Meeting 28 November 2025 at (16:00-18:00hrs) Via Teams

Present:		
Jamie Ross (JR) (Chair)	William Dowson (WD)	Sue Irving (SI)
Kirsty Duncan (KD)		
In attendance:		
Caroline Stuart (CS)	Joe McGraw (JM)	Andrew Reid - Azets (MG)
Lorraine Grierson (LG)	Joanna Campbell (JC)	Michael Gibson – RSM (MG)
Alexandra Rankin (Minute taker)	Karen Hunter (KH)	
Apologies:		
Douglas Dickson	Ann Hill	Gillian Brydson
Alastair Irons		

1. Welcome and Apologies for Absence | Verbal | J. Ross

- 1.1. The Chair welcomed everyone to the meeting and the meeting was recorded as quorate.
- 1.2. Apologies were noted as above.
- 1.3. Declaration of Interests and Connections | Verbal | J. Ross
- 1.3.1. The Chair reminded Members to indicate any declaration of interest or connections as appropriate throughout the course of the meeting.

FOR APPROVAL

2. Minutes of Previous Meetings and Matters Arising

- 2.1. Minute of the Previous Meeting 19 September 2024/Confidential Minute| Paper 2.2 | Approval | J. Ross
- 2.1.1. The minute of the last meeting was approved as an accurate record of the meeting.
- 2.2. Action Log | Paper 2.2 | Approval | L. Grierson
- 2.2.1. All actions were recorded as closed.
- 2.2.2. **The Committee approved the Action Log.**

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

- 3.1.1. The Committee noted that mitigations attached to Risk 3, Risk 4 and Risk 11 had been updated.
- 3.1.2. Risk 3: Failure to achieve institutional sustainability - the inherent risk remained a fundamental risk, 25 rating (purple). After mitigations, the residual rating of 20 remained.
- 3.1.3. Risk 8: Academic Performance - there has been an addition to independent monitoring, and residual, the likelihood was reduced to 4/25 due to positive 3-year PI trend.
- 3.1.4. Risk 10 - Failure to achieve an effective student experience - Rating had also been reduced to 4/25 due to high student satisfaction (97%), independent assurance by quality agency (Education Scotland) and improved and sustained student success over 3 years.
- 3.1.5. As a recommendation from the Risk management audit, the Committee Terms of Reference had been updated to clearly reflect the content required within the deep dive template which was outlined for committee information.
- 3.1.6. **The Committee Approved the Risk Register and change to the Terms of Reference.**

3.2. Deep Dive Risk 12– Health and Safety | Paper 3.2 | Approval | J. McGraw

- 3.2.1 The Vice Principal introduced the paper and outlined the context of Risk 12: Health and Safety Compliance.
- 3.2.2 A range of frontline mitigations were noted: Reporting and review procedures, IOSH & H&S training for staff, regular Health and Safety Committee meetings and a program for statutory reviews. Second line mitigations included H&S items tabled at SLT meetings, F&GP and BOM meetings including a greater priority for H&S items as previously agreed by the Board.
- 3.2.3 A new health and safety advisor role was introduced in January 2024. Further training planning and enhanced systems with the introduction of Smartlog had been implemented and as a result, improved reporting is anticipated.
- 3.2.4 Health and Safety Action Plan was developed for 2024 and updates on progress are provided to SLT/FGP and the Board on a regular basis.
- 3.2.5 A comprehensive Fire Risk Assessment and review had been undertaken in 2024 and the outcomes from this will continue to support decision making and improvements.
- 3.2.6 Comments were invited by the Committee and the potential for 'spikes' in reporting incidents was queried considering the new system. It was advised that comparative data was not readily available from the sector, however more granular data for 'near-miss' items was anticipated.
- 3.2.7 The Committee welcomed the progress around health and safety, the reduction in incidents and potential for a reduction in risk scoring in the future.
- 3.2.8 The Principal commented on the cultural changes bringing enhanced awareness amongst all staff to the responsibilities of health and safety. Further enhancements would also be forthcoming from recent work with BAE systems.
- 3.2.9 The Committee requested further clarity on the delivery of the action plan with delivery dates to be added.

3.2.10 ACTION: Delivery dates to be included in the Health and Safety Action Plan. JM

3.2.11 The Committee noted the report.

CS Joined the meeting 16:21hrs

3.3 Risk Appetite Review

- 3.3.1 The Governance Professional introduced the report and shared detail of the recommendations introduced following a recent risk management audit. As a result, a matrix had been compiled to show appetite scores which would allow comparisons with the residual risk scoring to help identify which risks were within risk appetite allowing decisions to be made regarding treatment.
- 3.3.2 The Chair queried the application of scoring and risk appetite discussions within Executive forums. The Principal assured the Committee of the mechanisms for review and scrutiny being applied by the Executive.
- 3.3.3 Almost all risks had shown a low appetite except for Risk 1 which was open to significant risk, and comment from the Committee was invited. The Principal provided some historical context and suggested that discussion at Committees had impacted on ratings. CS reflected on experience from other institutions and welcomed some adjustments to the appetite and become more open to further innovation within some risks. There was consensus that some items should remain as 'adverse' however a more modern approach was appropriate. The Chair acknowledged the elements of evolution being required in challenging times and this should be reflected in the appetite.
- 3.3.4 The Chair proposed that all risks be changed to cautious with debate on each, this approach was agreed. Each risk was considered and the following noted; Risk 1, to remain open, Risk 7, 8 and 10 agreed to move to moderate. All other items move to cautious.
- 3.3.5 The committee requested that communication be provided to the wider Committees regarding the changes prior to the Board of Management meeting.
- 3.3.6 ACTION: Communications to Committees regarding changes to be arranged. LG**
- 3.3.7 The Committee approved the recommendations to revise the risk appetite and scoring matrix for Dumfries and Galloway College.
- 3.3.8 The Committee approved the risk appetite and scoring matrix with agreed changes.**

4 Audit Committee Annual Report | Paper 4.1 | Approval | K. Hunter

- 4.3 The Executive Director of Finance advised the Committee of the purpose of the Annual Report and statutory reporting obligations. The report had included work around risk

management and in particular the deep dives undertaken throughout the academic year. The Internal audit reports were summarised which showed no high priority actions required. Overall, a positive report had been provided with assurance of the governance and controls in place. It was confirmed that the letter of representation will be circulated to the committee when received.

4.4 The Chair invited Members to comment on the report. The Committee commended the report and work undertaken to deliver the outcomes.

4.5 The Chair queried the opinion at point 3.7, it was confirmed that the commentary was provided by the Audit Committee to the Board of Management, and additional narrative was recommended.

4.6 **ACTION: Additional narrative to be provided at point 3.7. KH**

4.7 **The Committee noted and approved the Audit Committee Annual Report.**

5 Internal Audit

5.1 Internal Audit Progress Report | Paper 5.1 | Discussion | M. Gibson – RSM

5.1.1 M. Gibson (RSM) introduced the progress report, highlighting key points including the outstanding actions and overviews contained within Appendix A and B. The introduction of additional protocols regarding any change to the audit schedule was re-iterated. No concerns were raised in relation to the progress report. One query was raised on the management responses timescale and MG stated that no concerns were raised.

5.2 Further Education Statistics

5.2.1 The Committee noted the purpose of the FES Return Audit Report which concerned the accuracy of the return with testing applied. Overall, a **reasonable assurance opinion** had been provided with one issue identified around tracking of distance learning and recording hours worked as work experience.

5.3 Student Support Funds

5.3.1 The outcome of the audit had resulted in no management actions being identified. The Committee commended the report and lack of management actions.

5.3.2 The Chair queried the underspend, and the Executive Director of Finance explained the significant restrictions attached to the spending.

5.3.3 **The Committee noted the Reports.**

MG left the meeting 17:02hrs

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

6.1 LG advised that actions from 3 reports were now complete leaving 1 action from the Follow Up report. 1 new report, FES, had been added with 2 actions. She advised that 3 out of 21

actions remained open. A query was raised regarding the open Cyber action re vulnerability scans and it was confirmed that good progress was taking place and this action will be closed off by end of January 2025.

6.2 The Committee noted the Report.

7 External Audit

7.1 Annual External Audit Report | Paper 7.1 | Discussion | A. Reid

- 7.1.1 A. Reid (Azets) introduced the report and highlighted key messages and an unqualified opinion was given. There is an outstanding matter with valuation work. Background of the valuation of buildings was provided and a desk top review had been undertaken, the response had shown that there was no significant movement however the valuers had been asked to clarify the item and a response remained outstanding. KH provided additional comment on the steps being taken to close the item.
- 7.1.2 A wider scope assessment was detailed from page 140, financial management, sustainability, and use of resources was recorded in a colour coded risk rating. The amber rating on financial sustainability was largely impacted by external factors..
- 7.1.3 Questions and comments were invited from the Committee. There was concern expressed regards the changes to the treatment of accounting and certainty of funding for the conclusion of the Job Evaluation Project. There was a short discussion around the potential risk attached to the liability figure.
- 7.1.4 The Chair requested that the report be submitted to the Board following resolution of the two outstanding items.
- 7.1.5 **The Committee noted the Annual External Audit Report.**

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

- 7.2.1 The revised draft would be available 29 November and there would be no change to the underlying surplus reported. Accounts were provided in the form prescribed by the SFC. The narrative included detail of the overall activities of the College and future strategies. Corporate Governance statement narrative review requested..
- 7.2.2 Comments were invited by the Committee.
- 7.2.3 CS commended KH and Team for the report. **Narrative to be adjusted to highlight the top 3 most positive achievements**, and the Committee supported this revision.
- 7.2.4 **ACTION: The Committee approved the draft financial statements with agreed change to highlight 3 most positive statements.**

AR left the meeting 17:35hrs

8 Appointment of Internal Auditor (for approval) (Committee members only) | Verbal | K. Hunter

- 8.1 The Executive Director of Finance advised the Committee on the requirements to appoint Internal Auditors as RSM term is coming to an end. She advised the committee that a tender process could be undertaken or to utilise the APUC framework to ensure efficiencies.
- 8.2 The Committee were invited to discuss the item; the Committee expressed consensus to utilise a direct award through APUC as recommended. A further chemistry test was also recommended as well as a paper to encapsulate the protocols of the appointment. The Chair also thanked the executive for their contribution to the work of the Committee.
- 8.3 **ACTION: A paper will be developed to explain the protocol and circulated. KH/LG**
- 8.4 **The Committee approved the recommendations for the appointment of the internal auditors.**

FOR INFORMATION ONLY

9 **AOCB**

- 9.1 No further business was raised.

10 **Date of the Next Meeting**




- 10.1 The date of the next meeting is scheduled for Thursday 13 March 2025 at 1600hrs.



**Dumfries and
Galloway College**

One step ahead

Item 2
AUD1124-2.2

Key
 Ongoing
 Closed
 Overdue

AUDIT COMMITTEE ACTION LOG 28.11.24

No	Meeting Date	Action	Lead	Deadline	Status	Commentary
1	19/9/24	Add 3-year trend data for residual grading to the deep dive template.	LG	Nov 24	Closed	Deep Dive template has been updated.

Audit Committee		
Agenda Item	3	
Paper Number	AUD1124-3.1	
Date of Meeting	18 November 2024	
Location	MS Teams	
Title of Paper	Strategic Risk Register	
Presented by	L Grierson	
Recommendation	Approval	
Freedom of Information Disclosure Assessment		
FOI flag:	<input checked="" type="checkbox"/> Disclosable <input type="checkbox"/> Non-disclosable	
Reason/s for choice:		
Notes from author: (When will it become disclosable? Has FOI Officer guidance been sought?)		
Further comments/updates after initial submission		
Date added	Added by (name and role)	Comment/detail

Read Time: 25 Minutes

1. Recommendation

- 1.1 The Audit Committee are asked to consider, and if so minded, approve the Strategic Risks 4 and 11 which are assigned to it, and consider any changes to Risks presented by the Committees.
- 1.2 Consider the wording updated in Audit committee Terms of Reference at 4.1 and approve.

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 it, note changes to risks assigned to other Committees and oversee the full register.
- 2.2 To provide an update against the Risk Management audit actions.

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 there are 4 risks (1,5,11,12) showing an inherent major risk (red), however after mitigations have been applied, these are reduced to 'moderate' risks.
- 3.3 Risk 3: Failure to achieve institutional sustainability - the inherent risk remains a **fundamental 25 rating** (purple). After mitigations, the residual rating of 20 still remains a **major risk**. This is in line with the current and continued external financial position which is of concern and needs to be monitored closely.

3.4 Audit Committee

- 3.4.1 Currently Audit Committee has 2 risks assigned to it for review and approval, and any amendment made to these is noted below:
 - Risk 4: Financial Fraud – all mitigations have been reviewed and updated. No change to ratings.
 - Risk 11: Failure to achieve and maintain systems and operable and secure ICT – all mitigations have been reviewed and updated. No change to ratings.

3.5 Learning and Teaching Committee

- Risk 8: Academic Performance - there has been an addition to independent monitoring, and residual likelihood reduced to 4/25 due to positive 3-year PI trend.
- Risk 9: Failure to adhere to Academic Compliance - No changes.
- Risk 10 - Failure to achieve an effective student experience - Rating has been reduced due to high student satisfaction (97%), independent assurance by quality agency (Education Scotland) and improved and sustained student success over 3 years.

3.6 Finance and General-Purpose Committee

- Risks 3 - No changes to grading – mitigations updated.
- Risk 7 – Industrial Relations – No changes.

4. Terms of Reference

4.1 In respect of the risk management audit actions, it was recommended that the terms of reference should be updated to clearly reflect the information required within the deep dive template. The ToR have been updated as follows:

- 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 consider 'deep dives' of individual risks to seek assurance that the risk is being managed appropriately. The standard deep dive template will be used which provides a clear outline of information required ie context and rating rationale, examples of key mitigations and controls within the 1st and 2nd line of defence, appetite and tolerance, and make recommendations as required.

5. 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

6. Risk

Risk	Mitigations
Risks 4,11	➤ Paperwork attached for reference.

7. Implications

Financial	YES	Financial loss, fraud and reputational damage and impact to financial sustainability.
Legal	YES	Failure to meet regulatory and compliance obligations
Learning and Teaching	YES	Serious impact to the college's ability to operate and deliver education to students, financial loss, loss of data and reputation.
Equalities	NO	

Lorraine Grierson

Governance Professional

18 November 2024

Dumfries and Galloway College

RISK DEFINITION		ORIGINAL TASK				RESIDUAL RISK				Risk Appetite	Trend
No	Risk	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		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											
3	Failure to achieve institutional sustainability (FGP)										
		5	5	25		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)										
		3	4	12		2	3	6		Cautious	v
11	Failure to achieve and maintain systems and operable and secure ICT (AUD)										
		4	5	20		3	5	15		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)										

	3	4	12		1	4	4		Cautious	v
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		1	4	4		Cautious	v

Risks which should be monitored by the Risk Management Group:	Scores: 1 – 8	Minor Risk
Risks to be brought to the attention of SLT and Board of Management:	Scores: 9 - 15	Moderate 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	Critical Risk

Score	Impact	Likelihood
1	Insignificant: the risk has minimal to no effect on the College's operations, objectives, reputation, stakeholders or financial sustainability.	Highly Unlikely: the likelihood of the risk occurring is minimal. It would be estimated that the risk has a 1-5% chance of happening.
2	Minor: the risk may cause slight disruption or impact on the College's operations, objectives, reputation, stakeholders or financial sustainability.	Unlikely: the likelihood of the risk occurring is unlikely but still possible. It would be estimated that the risk has a 6-25% chance of happening.
3	Moderate: the risk has a noticeable impact or disruption, affecting the College's operations, objectives, reputation, stakeholders or financial sustainability.	Possible: the likelihood of the risk occurring is reasonable. It would be estimated that the risk has a 26-50% chance of happening.
4	Major: the risk has a substantial impact on the College's operations, objectives, reputation, stakeholders or financial sustainability.	Likely: the likelihood of the risk occurring is probable. It would be estimated that the risk has a 51-75% chance of happening.
5	Critical: the risk is a severe threat to the College's operations, objectives, reputation, stakeholders or financial sustainability.	Almost Certain: the likelihood of the risk occurring is highly likely. It would be estimated that the risk has more than a 75% chance of happening.

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

Minor (1-8)

Acceptable level of risk subject to periodic review.

Moderate (9-15)

Moderate level of risk subject to regular monitoring and mitigating actions and plans being in place.

Major (16-20)

Unacceptable level of risk requiring immediate actions and plans to prevent or mitigate.

Critical (21-25)

Critical level of risk requiring urgent attention and actions to prevent or mitigate.

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

Reference to Risk Registers:	Strategic	Owner: Principal/BoM
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	

GROSS RISK SCORE (i.e without controls in place)

LIKELIHOOD	(A) 4/5	IMPACT	(B) 4/5	What is the total risk score? (A x B)	16/25
The GROSS risk is therefore: (MIN/MOD/MAJ/CRIT)		Major Risk			

3 LINES OF DEFENCE	MITIGATIONS	MONITORING
Front Line (Management Assurance) Operational Delivery /Systems /Quality Assurance /Supervision	<ul style="list-style-type: none"> Operational Plans PRDs Membership of REP Mission 2030 	<ul style="list-style-type: none"> Clear performance metrics for all strategic outcomes and linked to individual performance targets reviewed by Line Managers SLT monitoring
Organisation Oversight Internal Compliance and quality checks / Legal and Regulatory / Financial controls / Management controls / Project assurance	<ul style="list-style-type: none"> Portfolio Review 1 - PI and Curriculum Plan Portfolio Review 2 - PI Review Reportage to BoM on Mission 2030 	<ul style="list-style-type: none"> 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 and BoM
Independent Assurance Internal Audit / external bodies	<ul style="list-style-type: none"> Annual Engagement on Self Evaluation and Action Plan (SEAP) reportage Outcome Framework and Assurance Model Audit of Plans 	<ul style="list-style-type: none"> Education Scotland /QAA Ongoing engagement and reporting to SFC External Audit BoM oversight

NET RISK SCORE (i.e with controls in place)

LIKELIHOOD	(A) 3/5	IMPACT	(B) 3/5	What is the total risk score? (A x B)	9/25
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Risk Status	Meeting 1 MOD	Meeting 2 MOD	Meeting 3	Meeting 4
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MEETING		AMENDMENTS TO RECORD AND PLANS TO TREAT					
Q1	Owner – reviewed and updated mitigations BoM – approved.						
Q2	Owner – independent assurance mitigations updated in light of Tertiary Quality Enhancement Framework						
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 Risk Registers	Strategic	Owner: Principal/BoM
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	

GROSS RISK SCORE (i.e without controls in place)					
LIKELIHOOD	(a)	IMPACT	(b)	What is the total risk score? (A x B)	
	5/5		3/5		15/25
The GROSS risk is therefore: MIN/MOD/MAJ/CRIT		Moderate Risk			

3 LINES OF DEFENCE	MITIGATIONS	MONITORING
FRONT LINE (Management Assurance) Operational Delivery /Systems /Quality Assurance /Supervision	<ul style="list-style-type: none"> Health and Safety Risk Assessments H&S Training H&S Committee 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> H&S Checks EDI Annual Report 	<ul style="list-style-type: none"> Monitoring and reporting in key areas – e.g., H&S, equalities, employee engagement/Staff surveys
INDEPENDENT ASSURANCE Internal Audit / external bodies	<ul style="list-style-type: none"> External audit of fire systems External audit of H&S BoM Audit EDI Report 	<ul style="list-style-type: none"> Internal and External Audit BoM oversight Reportage to SFC

NET RISK SCORE (i.e., with controls in place)					
LIKELIHOOD	(A)	IMPACT	(B)	What is the total risk score? (A x B)	
	3/5		2/5		6/25

Risk Status	Meeting 1 MIN	Meeting 2 MIN	Meeting 3	Meeting 4
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MEETING	AMENDMENTS TO RECORD AND PLANS TO TREAT
Q1	Owner – reviewed and updated mitigations. No changes to ratings BoM - Approved
Q2	Owner - all mitigations have been reviewed and updated. No change to ratings.
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 Risk Registers:	Financial	Owner: Principal / FGP
Description of the Risk:	Failure to achieve institutional sustainability due to sector-level budget allocations in 2024-25	
What are the possible consequences if the risk was to emerge?	The college will be unable to operate within the Scottish Public Finance Manual, contravening governance requirements by SG, Section 22, Reputational damage to Board and F&GP	

GROSS RISK SCORE (i.e without controls in place)

LIKELIHOOD	(A)	IMPACT	(B)	What is the total risk score? (A x B)	
	5/5		5/5		25/25
The GROSS risk is therefore: MIN/MOD/MAJ/CRIT		Critical Risk			

3 LINES OF DEFENCE	MITIGATIONS	MONITORING
Front Line (Management Assurance) Operational Delivery /Systems /Quality Assurance /Supervision	<ul style="list-style-type: none"> • Increase Commercial Income/ reduce reliance on SFC funding • Effective cost control • Active tracking of Credits against forecast • Protection of funding through dialogue with SFC • Scheme of Delegation 	<ul style="list-style-type: none"> • Commercial Reporting to FGP/review by SLT • Reportage to SLT / FGP/ BoM • Finance business partnering to review budgets/spend with Managers, and timely preparation of Management Accounts and forecasts • Continuous monitoring of demand v funding allocation of student funds • Spot checks by team
Organisation Oversight Of Management Activity Internal Compliance and quality checks / Legal and Regulatory / Financial controls / Management controls / Project assurance	<ul style="list-style-type: none"> • Strategic and Operating Plans approval process • Budgets approval process • Major project business cases approval processes • Finance Directors Network 	<ul style="list-style-type: none"> • Regular internal reporting to SLT, BoM and FGP Committee • Regular interaction with Scottish Funding Council Finance Team • Knowledge exchange through Finance Directors Network / Colleges Scotland • VPs Group and Principals Group
Independent Assurance Internal Audit / external bodies	<ul style="list-style-type: none"> • Internal Audit Programme • External Audit • Regional Outcome Agreement 	<ul style="list-style-type: none"> • External firm of professionals appointed/External by Audit Scotland / approval by Audit Committee/BoM • Regular returns to Scottish Funding Council (FFR/FES)

NET RISK SCORE (i.e with controls in place)

LIKELIHOOD	(A)	IMPACT	(B)	What is the total risk score? (A x B)	
	4/5		5/5		20/25

Risk Status	Meeting 1 MAJ	Meeting 2 MAJ	Meeting 3	Meeting 4
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MEETING	AMENDMENTS TO RECORD AND PLANS TO TREAT
Q1	Owner – reviewed and updated mitigations. No change to ratings.

	FGP/BoM- approved
Q2	Owner – No changes to ratings. FGP – approved.
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 Risk Registers:	Financial	Owner: Executive Director of Finance/AUD
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	

GROSS RISK SCORE (i.e without controls in place)

LIKELIHOOD	(A)	IMPACT	(B)	What is the total risk score? (A x B)	12/25
	4/5		3/5		
The GROSS risk is therefore: MIN/MOD/MAJ/CRIT		Moderate Risk			

3 LINES OF DEFENCE	MITIGATIONS	MONITORING
Front Line (Management Assurance) Operational Delivery /Systems /Quality Assurance /Supervision	<ul style="list-style-type: none"> No PO / no Pay policy Scheme of Delegation Segregation of duties and review of transactions Staff training and sharing of good practice for risks 	<ul style="list-style-type: none"> Continuous review of financial controls and spot checks by team Implementation of Internal Audit recommendations Training records/ tracking of audit recommendations
Organisation Oversight of Management Activity Internal Compliance and quality checks / Legal and Regulatory / Financial controls / Management controls / Project assurance	<ul style="list-style-type: none"> Review of impact of any changes in structure or duties Public Interest Disclosure (Whistleblowing) Policy Review of lessons learned report from COGC 	<ul style="list-style-type: none"> SLT reportage Monitoring across SLT Directorates Tracking of audit recommendations
Independent Assurance Internal Audit / external bodies	<ul style="list-style-type: none"> Internal Audit plan 	<ul style="list-style-type: none"> Internal Audit External firm of professionals appointed / approval and review of reports by Audit Committee /BoM oversight

NET RISK SCORE (i.e with controls in place)					
LIKELIHOOD	(A)	IMPACT	(B)	What is the total risk score? (A x B)	6/25
	3/5		2/5		

Risk Status	Meeting 1 MIN	Meeting 2 MIN	Meeting 3	Meeting 4
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MEETING	AMENDMENTS TO RECORD AND PLANS TO TREAT
Q1	Owner – reviewed and updated mitigations. No change to ratings. AUD/BoM – approved.
Q2	Owner – no changes
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 Risk Registers:	Organisational	Owner: VP People and Transformation/BoM
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	

GROSS RISK SCORE (i.e without controls in place)					
LIKELIHOOD	(A)	IMPACT	(B)	What is the total risk score? (A x B)	16/25
	4/5		4/5		
The GROSS risk is therefore: MIN/MOD/MAJ/CRIT		Major Risk			

3 LINES OF DEFENCE	MITIGATIONS	MONITORING
Front Line (Management Assurance) Operational Delivery /Systems /Quality Assurance /Supervision	<ul style="list-style-type: none"> Business Continuity Plan Staff CPD on business continuity themes Monitoring Public Health Advice Planning, careful phasing of processes, systems and equipment Asset register Effective management of GDPR 	<ul style="list-style-type: none"> Adherence to local and national Public Health Guidance Reporting to SLT on effectiveness of testing arrangements. Business continuity Plan walkthrough and desk top scenario planning

		<ul style="list-style-type: none"> Active data protection monitoring, training and auditing User acceptance testing of new systems
Organisation Oversight of Management Activity Internal Compliance and quality checks / Legal and Regulatory / Financial controls / Management controls / Project assurance	<ul style="list-style-type: none"> Rolling programme of routine updates to systems and equipment 	<ul style="list-style-type: none"> Liaison with SFC and Colleges Scotland Climate Emergency College Group (includes Student Representatives)
Independent Assurance Internal Audit / external bodies	<ul style="list-style-type: none"> Communication to stakeholders 	<ul style="list-style-type: none"> Internal Audit on process and statutory compliance BoM oversight

NET RISK SCORE (i.e with controls in place)					
LIKELIHOOD	(A)	IMPACT?	(B)	What is the total risk score? (A x B)	12/25
	4/5		3/5		

Risk Status	Meeting 1 MOD	Meeting 2 MOD	Meeting 3	Meeting 4
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MEETING	AMENDMENTS TO RECORD AND PLANS TO TREAT
Q1	Owner – reviewed and updated mitigations. No change to ratings. BoM – approved.
Q2	Owner - all mitigations have been reviewed and updated. No change to ratings.
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 and Planning / BoM
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	

GROSS RISK SCORE (i.e without controls in place)

LIKELIHOOD	(A)	IMPACT	(B)	What is the total risk score? (A x B)	15/25
	3/5		5/5		
The GROSS risk is therefore: MIN/MOD/MAJ/CRIT		Moderate Risk			

3 LINES OF DEFENCE	MITIGATIONS	MONITORING
Front Line (Management Assurance) Operational Delivery /Systems /Quality Assurance /Supervision	<ul style="list-style-type: none"> Prevent, Health and Safety and Safeguarding training Staff awareness and contingency planning Engagement/practice sharing with local agencies 	<ul style="list-style-type: none"> Business Continuity Plan including scenario testing Training records/ Reportage to SLT
Organisation Oversight of Management Activity Internal Compliance and quality checks / Legal and Regulatory / Financial controls / Management controls / Project assurance	<ul style="list-style-type: none"> Engagement/practice sharing with local agencies Board approval of SFC submissions 	<ul style="list-style-type: none"> Information sharing with local agencies Reportage to SLT/ Committees and BOM
Independent Assurance Internal Audit / external bodies	<ul style="list-style-type: none"> Internal Audit Plan and review External Audit Planning and review 	<ul style="list-style-type: none"> External firm of professionals appointed/ approval and review of reports by Audit Committee

NET RISK SCORE (i.e with controls in place)

LIKELIHOOD	(A)	IMPACT	(B)	What is the total risk score? (A x B)	5/25
	5/5		1/5		

Risk Status	Meeting 1 MIN	Meeting 2 MIN	Meeting 3	Meeting 4
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MEETING	AMENDMENTS TO RECORD AND PLANS TO TREAT
Q1	Owner – reviewed and updated mitigations. No change to ratings. BoM – approved.
Q2	Owner – no changes
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 Risk Registers:	Organisational	Owner: VP People and Transformation / FGP
Description of the Risk:	Failure to achieve effective Industrial Relations through local dialogue/relationships and effect of national campaigns from trade unions	
What are the possible consequences if the risk was to emerge?	Financial loss, impact to ability to effectively teach, industrial action, action short of strike action (ASOS), loss of reputation.	

GROSS RISK SCORE (i.e without controls in place)

LIKELIHOOD	(A)	IMPACT	(B)	What is the total risk score? (A x B)	12/25
	3/5		4/5		
The GROSS risk is therefore: MIN/MOD/MAJ/CRIT		Moderate Risk			

3 LINES OF DEFENCE	MITIGATIONS	MONITORING
Front Line (Management Assurance) Operational Delivery /Systems /Quality Assurance /Supervision	<ul style="list-style-type: none"> Constructive formal and informal communication channels Regular meetings Staff awareness and contingency planning 	<ul style="list-style-type: none"> LJNC (Local Joint Negotiating Committee) College Employers Scotland advice and updates Regular union/management dialogue
Organisation Oversight of Management Activity Internal Compliance and quality checks / Legal and Regulatory / Financial controls / Management controls / Project assurance	<ul style="list-style-type: none"> LJNC (Local Joint Negotiation Committee) Representation at Employers Association NRPA (National Recognition and Procedures Agreement) Representation at Strategic HR Network 	<ul style="list-style-type: none"> ELT/SLT/Board Staff engagement survey Regular union/management dialogue
Independent Assurance Internal Audit / external bodies	<ul style="list-style-type: none"> College Employers Scotland 	<ul style="list-style-type: none"> SFC/Scottish Government HR Sub/BoM oversight

NET RISK SCORE (i.e with controls in place)

LIKELIHOOD	(A) 2/5	IMPACT	(B) 3/5	What is the total risk score? (A x B)	6/25
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Risk Status	Meeting 1 MOD	Meeting 2 MIN	Meeting 3	Meeting 4
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MEETING	AMENDMENTS TO RECORD AND PLANS TO TREAT
Q1	Owner – reviewed and updated mitigations. FGP – after discussion it was agreed that industrial disputes/ASOS have ceased and a reduced likelihood of upcoming disputes, therefore, the inherent rate has been reduced to 12 and the residual rate reduced to 6. BoM – approved.
Q2	Owner - all mitigations have been reviewed and updated. No change to ratings. FGP – approved.
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 / LT
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. Recent data identifies progress	

GROSS RISK SCORE (i.e without controls in place)					
LIKELIHOOD	(A) 3/5	IMPACT	(B) 4/5	What is the total risk score? (A x B)	12/25
The GROSS risk is therefore: MIN/MOD/MAJ/CRIT		Moderate Risk			

3 LINES OF DEFENCE	MITIGATIONS	MONITORING
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Front Line (Management Assurance) Operational Delivery /Systems /Quality Assurance /Supervision	<ul style="list-style-type: none"> Online reportage of PI and Discussion with Teaching Team Self-Evaluation Reportage – Curriculum Student early experience survey and Student Satisfaction and Engagement Survey (SSES) Self-Evaluation Reportage – Support Complaint Procedure 	<ul style="list-style-type: none"> Managers and Directors monitor course PIs Self-evaluation reporting monitored by Performance
Organisation Oversight of Management Activity Internal Compliance and quality checks / Legal and Regulatory / Financial controls / Management controls / Project assurance	<ul style="list-style-type: none"> Portfolio Review 1 - PI and Curriculum Plan Portfolio Review 2 - PI Review Support Review Performance Review of Self Evaluation Block 1 Performance Review of Self Evaluation Block 2 Complaint Report 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Annual Engagement Visit by Inspection Body Self-evaluation reportage to SFC Risk based Cycle of External Verification Visits 	<ul style="list-style-type: none"> Reportage by Education Scotland presented to the BoM Reportage to SFC Outcome Team Awarding Body Scrutiny by QAA

NET RISK SCORE (i.e with controls in place)					
LIKELIHOOD	(A)	IMPACT	(B)	What is the total risk score? (A x B)	
	1/5		4/5		4/25

Risk Status	Meeting 1 MIN	Meeting 2 MIN	Meeting 3	Meeting 4
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MEETING	AMENDMENTS TO RECORD AND PLANS TO TREAT
Q1	Owner – reviewed and updated mitigations. No change to ratings. LT/BoM – approved.
Q2	Owner – addition to Independent Monitoring, likelihood reduced to 4/25 due to 3-year PI trend. LT: approved
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 Risk Registers:	Organisational	Owner: DP Learning Skills and Student Experience / LT
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.	

GROSS RISK SCORE (i.e without controls in place)					
LIKELIHOOD	(A)	IMPACT	(B)	What is the total risk score? (A x B)	
	4/5		3/5		12/25
The GROSS risk is therefore: MIN/MOD/MAJ/CRIT		Moderate risk			

3 LINES OF DEFENCE	MITIGATIONS	MONITORING
Front Line (Management Assurance) Operational Delivery /Systems /Quality Assurance /Supervision	<ul style="list-style-type: none"> Assessor marks in line with national standards utilising awarding body resources. Curriculum team meetings Self-Evaluation Reportage – Curriculum Self Evaluation Reportage – Support Complaint Procedure 	<ul style="list-style-type: none"> Internal verifier appointed for each unit and a cycle of verification is followed. Curriculum Managers Self-evaluation plan and reporting monitored by Performance
Organisation Oversight of Management Activity Internal Compliance and quality checks / Legal and Regulatory / Financial controls / Management controls / Project assurance	<ul style="list-style-type: none"> Compliance report by academic block Performance Review of Self Evaluation Block 1 Performance Review of Self Evaluation Block 2 Performance Review of Self Evaluation Block 3 Complaint Report 	<ul style="list-style-type: none"> College Wide Review by Performance Manager at SLT Reportage to SLT and L&T Committee on College wide self-evaluation and Complaints
Independent Assurance Internal Audit / external bodies	<ul style="list-style-type: none"> Cycle of External Verification Visits Annual Engagement Visit by Inspection Body Self-Evaluation Reportage to SFC 	<ul style="list-style-type: none"> External verifier Performance directorate monitor external verification and report to SLT and the L&T Committee. Reportage by Education Scotland/QAA presented to the BoM SFC Outcome Team monitor returns and provide feedback as required

NET RISK SCORE (i.e with controls in place)					
LIKELIHOOD	(A)	IMPACT	(B)	What is the total risk score? (A x B)	
	2/5		2/5		4/25

Risk Status	Meeting 1 MIN	Meeting 2 MIN	Meeting 3	Meeting 4
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MEETING	AMENDMENTS TO RECORD AND PLANS TO TREAT
Q1	Owner – reviewed and updated mitigations. No change to ratings. LT/BoM – approved.
Q2	Owner - all mitigations have been reviewed and updated. No change to ratings. LT: approved.
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 Risk Registers:	Organisational	Owner: DP Learning, Skills and Student Experience / LT (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.	

GROSS RISK SCORE (i.e without controls in place)					
LIKELIHOOD	(A)	IMPACT	(B)	What is the total risk score? (A x B)	
	3/5		4/5		12/25
The GROSS risk is therefore: MIN/MOD/MAJ/CRIT		Moderate Risk			

3 LINES OF DEFENCE	MITIGATIONS	MONITORING
Front Line (Management Assurance) Operational Delivery /Systems /Quality Assurance /Supervision	<ul style="list-style-type: none"> Curriculum team meetings Self-Evaluation Reportage – Curriculum Student early experience survey and Student Satisfaction and Engagement Survey (SSES) Student representative meetings Self-Evaluation Reportage – Support Complaint Procedure 	<ul style="list-style-type: none"> Curriculum Managers (CMs) Self-evaluation reporting monitored by Performance and Directors Performance return survey and SSES results to CMs Performance overview Self-evaluation reporting monitored by Performance and Directors

Organisation Oversight of Management Activity Internal Compliance and quality checks / Legal and Regulatory / Financial controls / Management controls / Project assurance	<ul style="list-style-type: none"> Performance Review of Self Evaluation Block 1 Performance Review of Self Evaluation Block 2 Performance Review of Self Evaluation Block 3 Portfolio Review 1 - PI and Curriculum Plan Portfolio Review 2 - PI Review Support Review Complaint Report 	<ul style="list-style-type: none"> Reportage to SLT and L&T Committee on College wide self -evaluation, enhancement plan and portfolio reviews
Independent Assurance Internal Audit / external bodies	<ul style="list-style-type: none"> Annual Engagement Visit by Inspection Body Self-evaluation reportage to SFC Outcome Framework and Assurance Model 	<ul style="list-style-type: none"> Reportage by Education Scotland/QAA presented to the BoM SFC Outcome Team monitor returns and provide feedback as required

NET RISK SCORE (i.e with controls in place)

LIKELIHOOD	(A) 1/5	IMPACT	(B) 4/5	What is the total risk score? (A x B)	4/25
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Risk Status	Meeting 1 MIN	Meeting 2 MIN	Meeting 3	Meeting 4
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MEETING	AMENDMENTS TO RECORD AND PLANS TO TREAT
Q1	Owner – reviewed and updated mitigations. No change to ratings. LT/BoM – approved.
Q2	Owner - all mitigations have been reviewed and updated. Rating reduced due to high student satisfaction (97%), independent assurance by quality agency (Education Scotland) and improved and sustained student success over 3 years. LT: approved
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 Risk Registers:	Organisational	Owner: VP People and Transformation / AUD
Description of the Risk:	Failure to achieve and maintain systems and operable and secure ICT	
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, financial loss, loss of data and reputation	

GROSS RISK SCORE (i.e without controls in place)

LIKELIHOOD	(A) 4/5	IMPACT	(B) 5/5	What is the total risk score? (A x B)	20/25
The GROSS risk is therefore: (MIN/MOD/MAJ/CRIT)		Major			

3 LINES OF DEFENCE	MITIGATIONS	MONITORING
Front Line (Management Assurance) Operational Delivery /Systems /Quality Assurance /Supervision	<ul style="list-style-type: none"> 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 ICT Systems linked to the Business Continuity and Management Plan 'Ethical hacker' training completed by staff Cyber essentials certified 	<ul style="list-style-type: none"> Cyber exercises Phishing exercises Regular planned security monitoring. Network Monitoring
Organisation Oversight of Management Activity Internal Compliance and quality checks / Legal and Regulatory / Financial controls / Management controls / Project assurance	<ul style="list-style-type: none"> Planned cyber exercises Planned phishing exercises. Cyber exercises – exercise in a box NCSC Infrastructure updates from external review of ICT estate 	<ul style="list-style-type: none"> Feedback via SLT/ELT on monitoring statistics; Regular Board reporting around cyber position;
Independent Assurance Internal Audit / external bodies	<ul style="list-style-type: none"> CISO (Chief Information Security Officer) service in place through HEFESTIS. 	<ul style="list-style-type: none"> Regular reporting and risk assessment. Audit Committee/BoM oversight

NET RISK SCORE (i.e with controls in place)					
LIKELIHOOD	(A) 3/5	IMPACT	(B) 4/5	What is the total risk score? (A x B)	12/25

Risk Status	Meeting 1 MOD	Meeting 2 MOD	Meeting 3	Meeting 4
MEETING	AMENDMENTS TO RECORD AND PLANS TO TREAT			
Q1	Owner – reviewed and updated mitigations. No change to ratings. AUD/BoM – approved.			
Q2	Owner - all mitigations have been reviewed and updated. No change to ratings			
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 Risk Registers:	Organisational	Owner: VP People and Transformation / BoM
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)	

GROSS RISK SCORE (i.e without controls in place)

LIKELIHOOD	(A)	IMPACT	(B)	What is the total risk score? (A x B)	20/25
	4/5		5/5		
The GROSS risk is therefore: (MIN/MOD/MAJ/CRIT)		Major Risk			

3 LINES OF DEFENCE	MITIGATIONS	MONITORING
Front Line (Management Assurance) Operational Delivery /Systems /Quality Assurance /Supervision	<ul style="list-style-type: none"> Reporting and review procedures, including near miss Health and Safety and IOSH training for staff Regular communication on responsibilities 	<ul style="list-style-type: none"> Regular, formal Health & Safety Committee BoM H&S Champion attends H&S committee meetings
Organisation Oversight of Management Activity Internal Compliance and quality checks / Legal and Regulatory / Financial controls / Management controls / Project assurance	<ul style="list-style-type: none"> Reporting of H&S is standard agenda item at SLT meetings Smartlog system 	<ul style="list-style-type: none"> Reporting to FGP Committee / BoM
Independent Assurance Internal Audit / external bodies	<ul style="list-style-type: none"> External independent oversight from H&S specialist 	<ul style="list-style-type: none"> Internal Audit Public Health Environmental Health

NET RISK SCORE (i.e with controls in place)

LIKELIHOOD	(A) 3/5	IMPACT	(B) 4/5	What is the total risk score? (A x B)	12/25
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Risk Status	Meeting 1 MOD	Meeting 2 MOD	Meeting 3	Meeting 4
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MEETING	AMENDMENTS TO RECORD AND PLANS TO TREAT
Q1	Owner – reviewed and updated mitigations. No change to ratings. BoM – approved.
Q2	Owner - all mitigations have been reviewed and updated. No change to ratings
Q3	
Q4	

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

Audit Committee		
Agenda Item	3	
Paper Number	AUD1124-3.2	
Date of Meeting	28 November 2024	
Location	MS Teams	
Title of Paper	Deep Dive - Risk 12 – Health and Safety Compliance	
Presented by	Joe McGraw	
Recommendation	Choose an item.	
Freedom of Information Disclosure Assessment		
FOI flag:	<input checked="" type="checkbox"/> Disclosable <input type="checkbox"/> Non-disclosable	
Reason/s for choice:		
Notes from author: (When will it become disclosable? Has FOI Officer guidance been sought?)		
Further comments/updates after initial submission		
Date added	Added by (name and role)	Comment/detail

Read Time: 6 minutes

1. Recommendation

- 1.1 The Audit Committee are asked to discuss this paper and note that the Audit Committee has agreed with the ratings and appetite for risk.

2. Executive Summary

- 2.1 The purpose of this paper is to provide the Audit Committee with a deeper dive into Risk(s) 12 which the Board of Management monitors.

Risk 12 – Health and Safety Compliance.

3. Context

- 3.1 This paper provides context to the risk, outlines mitigations, identifies how the risks are monitored which determines the residual risk score after discussion at the Audit Committee.

3.2 Context of Risk and Gross Rating Rationale

- 3.2.1 Risk 12 is 'Health and Safety Compliance'. The context of this risk is described as failure to meet regulatory health and safety obligations.
- 3.2.2 This risk has the potential for loss of reputation, financial penalties, criminal liability (corporate and individual). The gross risk is considered as major.

3.3 Outline of Key Mitigations and Controls

- 3.3.1 There are a number of key mitigations that are incorporated as a front line of defence. These include:
- Reporting and review procedures, including near miss.
 - Relevant Health and Safety and IOSH training at all levels of the College.
 - Regular communication on responsibilities.
 - Regular, formal Health & Safety committee Meetings attended by cross-college staff and trade unions.
 - Introduction of Board of Management Representative who attends Health & Safety committee meetings acting as a 'champion'.
 - Clear programmes in place to cover all statutory inspections and reviews in line with relevant legislation.
- 3.3.2 Second line of defence mitigations:
- Reporting of H&S is a standard agenda item at SLT meeting but also through reporting to the Finance and General Purposes Committee (F&GP) and Board of Management (BoM). Agreement was made with the BoM that Health and Safety should be higher up the agenda at those meetings to ensure appropriate time was spent discussing any H&S matters.
- 3.3.3 A Health and Safety action plan was developed for 2024 and updates on progress are provided to SLT/F&GP and BoM on a regular basis. The action plan incorporated:
- Develop new H&S advisor role
 - Refresh H&S committee including TOR/Membership and activities

- Review and standardise all overarching H&S documentation including policies and procedures. This will include H&S policy, Risk Assessment Policy, Fire Policy and associated procedures.
- Review H&S training requirements and create H&S training plan
- Create an operating plan of ongoing H&S document review to ensure full compliance with legal obligations ahead of each new Academic Year
- Source and implement a new COSSH system
- Implement a suitable H&S management system which provide live access to all staff.

3.3.4 A new action plan is currently being formulated for 2025.

3.3.5 The introduction of our new Health and Safety Management System (Smartlog) in August 2024 has now been fully rolled out to staff and training provided through a series of induction sessions.

3.3.6 The system includes many different areas such as risk assessments, accident/incident reporting, staff training and contract management.

3.3.7 We expect to see improved reporting on H&S related matters through the introduction of 'Smartlog, which will provide greater oversight.

3.3.8 The College also utilises external independent oversight from H&S specialists to assist monitoring and control of activities.

3.4 Outline Monitoring and Residual Grading Rationale

3.4.1 Residual grading is reviewed on a regular basis and discussed at Audit committee. Historic grading for Risk 12 is shown in the table below:

Historic Grading Risk 12

Date	Inherent Grading	Residual Grading
22-23 New risk added	20/25	12/25
23-24	20/25	12/25

3.5 Appetite and Tolerance

There is currently no appetite for risk and Health and Safety Compliance remains as a key strategic risk despite the mitigations that have been put in place.

4. **Strategic Implications**

4.1 This links into Strategic Priority 2 – People & Culture and Strategic Priority 4 – Systems and Infrastructure.

5. Risk

Risk	Mitigations
Health and Safety Compliance	As set out in the 3 lines of defence set against this strategic risk

6. Implications

Financial	Yes	Failure to achieve Health and Safety Compliance has potential implications across this full range. The mitigations in place are designed to minimise any such implications
Legal	Yes	
Learning and Teaching	Yes	
Equalities	Yes	

Joe McGraw

Vice Principal People and Transformation

November 2024

Strategic Objective: Risk No: 12 Health & Safety Compliance

Reference to Risk Registers:	Organisational	Owner: VP People and Transformation / BoM
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)	

GROSS RISK SCORE (i.e without controls in place)					
LIKELIHOOD	(A) 4/5	IMPACT	(B) 5/5	What is the total risk score? (A x B)	20/25
The GROSS risk is therefore: (MIN/MOD/MAJ/CRIT)		Major Risk			

3 LINES OF DEFENCE	MITIGATIONS	MONITORING
Front Line (Management Assurance) Operational Delivery /Systems /Quality Assurance /Supervision	<ul style="list-style-type: none"> Reporting and review procedures, including near miss Health and Safety and IOSH training for staff Regular communication on responsibilities 	<ul style="list-style-type: none"> Regular, formal Health & Safety Committee BoM H&S Champion attends H&S committee meetings
Organisation Oversight of Management Activity Internal Compliance and quality checks / Legal and Regulatory / Financial controls / Management controls / Project assurance	<ul style="list-style-type: none"> Reporting of H&S is standard agenda item at SLT meetings Smartlog System 	<ul style="list-style-type: none"> Reporting to FGP Committee / BoM
Independent Assurance Internal Audit / external bodies	<ul style="list-style-type: none"> External independent oversight from H&S specialist 	<ul style="list-style-type: none"> Internal Audit Public Health Environmental Health

NET RISK SCORE (i.e with controls in place)					
LIKELIHOOD	(A) 3/5	IMPACT	(B) 4/5	What is the total risk score? (A x B)	12/25

Risk Status	Meeting 1 MOD	Meeting 2 MOD	Meeting 3	Meeting 4
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MEETING	AMENDMENTS TO RECORD AND PLANS TO TREAT
Q1	Owner – all mitigations have been reviewed and updated. No change to ratings. BoM – approved.
Q2	Owner - ALL MITIGATIONS HAVE BEEN REVIEWED AND UPDATED. NO CHANGE TO RATINGS.
Q3	
Q4	

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

Audit Committee		
Agenda Item	3	
Paper Number	AUD1124-3.3	
Date of Meeting	04 November 2024	
Location	MS Teams	
Title of Paper	Risk Appetite Review	
Presented by	L Grierson	
Recommendation	Approval	
Freedom of Information Disclosure Assessment		
FOI flag:	<input checked="" type="checkbox"/> Disclosable <input type="checkbox"/> Non-disclosable	
Reason/s for choice:		
Notes from author: (When will it become disclosable? Has FOI Officer guidance been sought?)		
Further comments/updates after initial submission		
Date added	Added by (name and role)	Comment/detail

Read Time: 25 Minutes

1. Recommendation

The Audit Committee is asked to consider and **approve**:

- the numerical scoring matrix for risk appetite
- the updated risk appetite for 2024-25

2. Executive Summary

- 2.1. The purpose of this paper is for the Committee to satisfy itself that the organisation is properly embedding the risk appetite within the activities, limits, and reporting of the organisation, and invite **approval of** the reviewed risk appetite and scoring matrix for Dumfries and Galloway College. The risk appetite is appended to each risk as they are reviewed at the relevant committee and board of management meeting.

3. Context

3.1 Dumfries and Galloway College's Risk Appetite

- 3.1.1 The College maintains a risk register which divides its risks into 12 areas. Each has an Executive lead, and each risk is monitored by the Board, but a number are overseen operationally by Board committees, which report back to the Board. Each risk area on the risk register has a score for gross risk (without controls) and net risk (with controls).

- 3.1.2 In 2022/23 the Executive completed an initial assessment of Dumfries and Galloway College's risk appetite in relation to the following organisational risk areas:

- Failure of College strategy to meet the needs of Dumfries and Galloway Region and/or national priorities.
- Legal actions; serious accident; incident or civil/criminal breach
- Failure to achieve institutional sustainability.
- Financial Fraud
- Business Continuity Incident – e.g., Fire, MIS Failure, Failure of Emergency Procedures, Threats to Health
- Failure to meet regulatory obligations
- Failure to achieve effective Industrial Relations
- Failure to achieve highest academic performance levels
- Failure to adhere to academic compliance arrangements
- Failure to achieve an effective student experience

In 2023-24, 2 new risks were added:

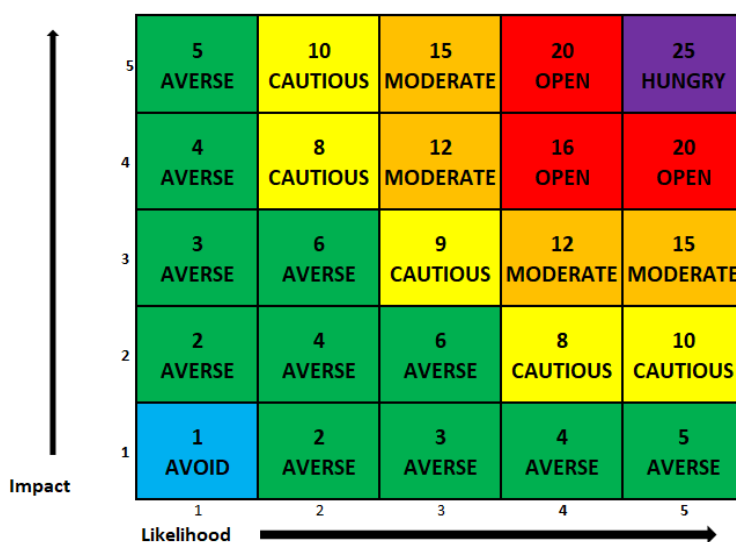
- Failure to achieve and maintain systems and operable and secure ICT
- Health and Safety

- 3.1.3 For each area, Dumfries and Galloway College undertook an assessment of its risk appetite using a six-point scale: Avoid/ Averse/ Cautious/ Moderate/ Open/ Hungry. The definitions of each point on the scale were based on guidance developed by HM Treasury for public bodies and the executive's rationale for each risk and associated appetite was compiled (appendix 1).

4. Review of Risk Appetite 2024-25

- 4.1 The Executive team have reviewed the risk appetite for 2024-25 taking into consideration recommendations from the internal Risk Management audit which was conducted in March 2024.
- 4.2 One action was to attribute numerical scores to each appetite rating enabling a comparison to the residual rating for each risk. In doing this, it identifies clearly when a risk is above, below or within, the risk appetite level. Risk response would then be applied: Terminate, Treat, Transfer or Tolerate, to determine the course of action.
- 4.3 In line with this, and in consultation with Zurich Insurance, we have compiled a scoring matrix as noted below, and aligned this to our 6-point appetite scale. However, Zurich have suggested level 1 'AVOID' should be removed as an appetite option. The term is defined as "not prepared to accept any risk" and the only way to achieve this is to stop the activity giving rise to the risk which is a management decision as part of the "4 T's" and not necessarily a suitable approach to defining appetite.

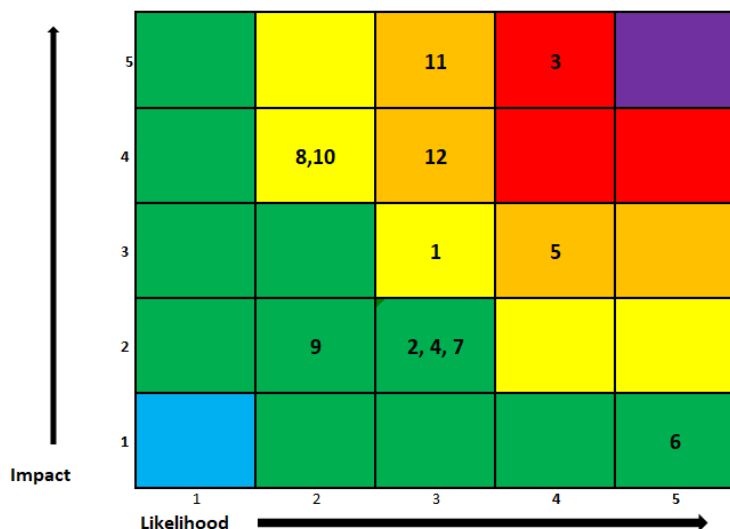
4.4 Risk Appetite Aligned to Risk Map



Avoid	1	No appetite for risk. Not prepared to accept any risk
Averse	2 - 6	Prepared to accept only the very lowest levels of risk. Preference for very safe decision making and strategy implementation Little opportunity for innovation or exploitation of new opportunities
Cautious	7 - 10	Willing to accept some low risks. Maintain overall preference for safe decision making
Moderate	11 - 15	Tending predominately towards exposure to modest levels of risk Achieve acceptable but possibly unambitious outcomes or benefits
Open	16 - 20	Prepared to consider innovative decisions Selection of highest probability of productive outcomes even where elevated levels of associated risk
Hungry	21 - 25	Proactively taking innovative decisions Accepting associated substantial risk levels

4.5 Risk Appetite Aligned to Strategic Risks

4.5.1 Using the matrix above, the current appetite has been mapped over.



4.5.2 The diagram below shows the current appetite and mapped appetite. The committee are asked to consider whether the matrix scores are appropriate or need to be adjusted.

Ref	Risk summary	Stated Appetite	Mapped Appetite
1	Failure of strategy to meet regional and/or national priorities	Open	Cautious
2	Legal actions, serious accident, incident or civil/criminal breach	Cautious	Averse
3	Failure to achieve institutional sustainability	Cautious	Open
4	Financial fraud	Averse	Averse
5	Business continuity incident	Avoid	Moderate
6	Failure to meet regulatory requirements	Avoid	Averse
7	Failure to achieve effective industrial relations	Cautious	Averse
8	Failure to achieve highest academic performance levels	Cautious	Cautious
9	Failure to adhere to academic compliance arrangements	Avoid	Averse
10	Failure to achieve an effective student experience	Cautious	Cautious
11	Failure to achieve & maintain systems and operable & secure ICT	Avoid	Moderate
12	Health and Safety	Avoid	Moderate

5. Executive Assessment

5.1 In consideration of the above analysis the Executive team have:

- removed level 1 'AVOID'
- amended the 6-point appetite scale to a 5-point scale (appendix 1)
- adjusted the appetite level for 2024-25 as outlined below and for Audit committee consideration:

No.	Risk and Risk Appetite	Averse	Cautious	Moderate	Open	Hungry
		1-6	7-10	11-15	16-20	21-25
1	Failure of College strategy to meet the needs of Dumfries and Galloway Region and/or national priorities					
2	Legal actions; serious accident; incident or civil/criminal breach					
3	Failure to achieve institutional sustainability					
4	Financial Fraud					
5	Business Continuity Incident – e.g., Fire, Failure of Emergency Procedures, Threats to Health					
6	Failure to meet regulatory obligations					
7	Failure to achieve effective Industrial Relations					
8	Failure to achieve highest academic performance levels					
9	Failure to adhere to academic compliance arrangements					
10	Failure to achieve effective student outcomes					
11	Failure to achieve and maintain systems and operable and secure ICT					
12	Health and Safety					

5.2 The scored appetite rating is applied to the Risk Register (appendix 2), which easily identifies the residual ratings within, above or below appetite and further mitigating actions can be applied if residual risk is greater than risk appetite.

6. Strategic Implications

- 6.1 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

7. Risk

Risk	Mitigations
All Risks	➤ As per Risk Register supporting documentation.

8. Implications

Financial	NO	
Legal	NO	
Learning and Teaching	NO	
Equalities	NO	

Lorraine Grierson

Governance Professional

20 November 2024

Appendix 1

Risk Appetite 5 Point Scale

Classification	Description
AVERSE	Prepared to accept only the very lowest levels of risk, with the preference being for very safe decision-making and strategy implementation, while recognising there may be little opportunity for innovation or the exploitation of new opportunities.
CAUTIOUS	Willing to accept some low risks, while maintaining an overall preference for safe decision-making and strategy implementation, despite the probability that there is restricted potential for innovation and increased outcomes and benefits.
MODERATE	Tending predominantly towards exposure to only modest levels of risk in order to achieve acceptable, but possibly unambitious outcomes or benefits.
OPEN	Prepared to consider innovative decisions and strategic implementation and selecting those with the highest probability of productive outcomes and benefits, even where there are elevated levels of associated risk.
HUNGRY	Proactively taking innovative/creative/pioneering decisions and adopting forms of strategic implementation, while accepting the associated substantial risk levels in order to secure highly successful outcomes and benefits.

1 Risk Appetite Statement

- 1.1 We encourage a well-managed risk appetite to develop and deliver a high-quality Student Experience to meet the changing needs of our region. We will ensure that we do not lose sight of the impact of taking these risks in more risk-sensitive parts of the business.
- 1.2 Taking a well understood approach to risk to help us achieve our long-term mission of providing individuals, businesses, and communities with the skills to flourish. We are willing to take well-managed risks to raise profile, and performance levels, creating meaningful partnerships with stakeholders to influence policymakers on behalf of the region we serve and across the tertiary education sector.
- 1.3 In areas of our business where we are restricted in our risk taking due to the requirement to comply with relevant policy, regulations, legislation, and standards (e.g., financial management, data protection, safeguarding legislation) our risk appetite is to comply; however, in order to operate efficiently and take advantage of suitable new opportunities, we are willing to incur low levels of risk where requirements are open to interpretation.

Risk Area	Appetite Statement	How Delivered
<p>Name: Failure of College strategy to meet the needs of Dumfries and Galloway Region and/or national priorities</p> <p>Risk No: 1</p> <p>Contact: Principal</p>	<p>We are willing to take well-informed and well managed risks to change the service we provide or the way we relate to our stakeholders.</p>	<p>To improve our service, we may need to change the way we operate and relate to them. So, we can meet the needs of policy drivers we are willing to take the risk that changes may not align with all stakeholders' needs.</p>
	<p>We may take well-understood risks to resource use, service levels and customer satisfaction to improve the way we serve our stakeholders create opportunities for our students.</p>	<p>We are reluctant to take a risk that could have a significant impact on our relationship with our primary funder. We will publish timely communications to our stakeholders detailing the offer and any changes to services.</p>
	<p>We are willing to accept well-understood risks that come from offering a service that supports our strategic aims.</p>	<p>We will regularly seek opportunities for stakeholder engagement and feedback.</p>
	<p>We are willing to accept well-understood risks that come from moving to new business models that help our long-term strategic position.</p>	<p>When introducing new business models, we accept there is a risk that not all stakeholders will like the outcome, and this may have a negative impact on our profile.</p>
	<p>We are willing to take managed risks that enable Dumfries and Galloway College to support policy developments.</p>	<p>We will ensure all interaction with media and PR is carefully managed through external expertise.</p>
	<p>We will not risk taking any position that would harm our ability to maintain Dumfries and Galloway College's reputation and status as a publicly funded not-for-profit organisation.</p>	<p>We will manage staff and student behaviour likely to cause reputational damage through the relevant college policy framework.</p>
	<p>We will not risk taking a position that would bring Dumfries and Galloway College into disrepute either through staff or student activity or alignment to stakeholder</p>	<p>We will routinely seek the views of staff, student and stakeholders on our services and publish the outcome of these.</p>

Risk Area	Appetite Statement	How Delivered
	activity that would compromise this position.	
<p>Name: Legal actions; serious accident; incident or civil/criminal breach</p> <p>Risk No: 2</p> <p>Contact: Principal</p>	<p>We will always comply with the legal and regulatory framework in which we operate.</p> <p>In places where law or regulation is open to interpretation, we may use an interpretation that favours our preferred course of action (based on legal counsel), where we know that any legal challenge favours our position.</p> <p>We are willing to incur a limited amount of risk of a contractual dispute to achieve important strategic or financial goals.</p> <p>We will contest cases brought against DGC where we have a better than 80% chance of winning</p>	<p>We will plan for the impact of changes to law and regulations well ahead of the time they will come into force, and if necessary, take advice from external experts on what they mean for us.</p> <p>We may walk away from an opportunity rather than sign a highly disadvantageous or legally defective contract, especially if external experts confirm the potential problems that may arise.</p>
<p>Name: Failure to Achieve Institutional Sustainability and Financial Fraud</p> <p>Risk No: 3 and 4</p> <p>Contact: Exec Director Finance</p>	<p>We are willing to take carefully managed risks in the way we manage our finances that would lead to a breach of current regulations, legislation and standards or leave us open to fraud or potential money laundering.</p> <p>In places where finance law or regulation is open to interpretation, we may use an interpretation that favours our preferred course of action (based on the advice of external expertise).</p>	<p>We will check that our annual returns and accounts comply fully with relevant laws and regulations (e.g., SFC, ONS or HMRC).</p> <p>We will plan for the impact of changes to regulations well ahead of the time they will come into force, and if necessary, take advice from external experts on what they mean for us.</p> <p>If we must decide about a financial issue where law or regulations leave areas of uncertainty, we will not automatically take the most cautious view.</p>
<p>Name: Business Continuity Incident – e.g., Fire,</p>	<p>We are not willing to take risks to health and wellbeing of staff, students through any event that</p>	<p>We will plan for the impact of business continuity incidents and disaster recovery but using</p>

Risk Area	Appetite Statement	How Delivered
<p>Failure of Emergency Procedure, Threats to Health, Systems Failure, Cyber Incidents</p> <p>Risk No: 5 and 11</p> <p>Contact: VP People and Transformation</p>	<p>could cause an impact on this. The risks will be mitigated through control measures.</p> <p>We are not willing to take risks to the integrity of our data and systems cause by the impact of a business continuity. The risks will be mitigated through control measures.</p> <p>.</p>	<p>simulated incidents as a method of flagging any vulnerabilities and rehearsing well developed business and disaster recovery planning.</p> <p>We will link in with regional and national recovery response teams to help plan and jointly manage any business continuity risks e.g., COVID-19</p> <p>We will plan for higher levels of disruption to operations in order to deliver education and services that meet members' immediate needs, especially those that would help their response to Covid-19.</p> <p>We will plan for the likelihood of any event that disrupts productivity in operations in order to ensure the safety of our staff, to be sustainable and effective as an organisation and to deliver education and services to stakeholders during crisis situations such as Covid-19.</p>
<p>Name: Failure to meet regulatory obligations and Climate Change targets e.g., GDPR, Health and Safety, HR</p> <p>Risk No: 6 and 12</p> <p>Contact: Exec finance director / VP People and Transformation</p>	<p>Where Dumfries and Galloway College is processing personal data, other sensitive data or our operations are at risk, we are not willing to accept information security risks as any incidents involving these areas is more likely to lead to reputational damage and regulatory action.</p> <p>We are not willing to accept a risk that puts life, and the well-being of people, at risk.</p> <p>We are open to taking well-understood risks in recruitment and</p>	<p>We will ensure that the correct structures, controls, and training are in place to ensure that information security is well managed and has the attention of senior management.</p> <p>Through our health and safety monitoring process we will ensure that highest standards of compliance and reporting are met.</p> <p>We will also maintain an awareness of new standards, threats, and vulnerabilities, and ensure that the risks from these are managed.</p> <p>To build DGC as a more modern and efficient organisation, we are</p>

Risk Area	Appetite Statement	How Delivered
	<p>skills to achieve one or more of our strategic priorities.</p> <p>We may take well understood risks to operations to introduce more effective and efficient processes and systems.</p> <p>We are willing to risk higher levels of disruption and impact on productivity in operations in order to ensure that DGC achieves its chosen Net Zero target, currently set as 2030.</p> <p>We are willing to risk higher levels of disruption and impact on productivity in operations in order to ensure that DGC supports the regional and national Climate Change ambitions.</p>	<p>willing to accept that satisfaction may decline for some members of staff because we need to change strategies and policies, and that some staff may leave.</p> <p>We will recruit staff which bridge skills deficits to realise opportunities and introduce new talents and expertise into the business. Our recruitment will match our vision to be an inclusive employer.</p> <p>To retain talented members of staff we are willing to risk making limited one-off changes to employment policies within our framework but within legislation.</p> <p>To modernise IT system, we are willing risk temporary periods of manual work around to get to more autonomous systems.</p>
<p>Name: Failure to achieving effective Industrial Relations</p> <p>Risk No: 7</p> <p>Contact: VP People and Transformation</p>	<p>In its management of national bargaining and through membership of the EA we will take a cautious approach to this risk in order to minimise the risks to the organisation and to its staff, particularly where these may pose a threat to our financial sustainability, or where they may create significant instability, uncertainty, or public relations damage to the college and more broadly the college sector.</p>	<p>We will run regular LJNC meetings with TU representatives and ensure that consultation on relevant matters are tables at the correct fora.</p> <p>We will engage with staff through a number of channels throughout the year to seek feedback and act accordingly.</p> <p>We will adopt a revised set of values and ensure that these are embedded into our culture</p>
<p>Name: Failure to achieve highest academic performance levels</p> <p>Risk No: 8</p>	<p>DGC has minimal to cautious appetite for risk exposure that could result in a reduction in the academic performances of all modes of students (FT and PT).</p>	<p>It is recognised that the College may conduct curriculum review to ensure the offer matches the market. In revision of the curriculum portfolio there may be an initial dip in</p>

Risk Area	Appetite Statement	How Delivered
<p>Contact: DP Learning, Skills, and Student Experience</p>		<p>performance prior to improvement being realised.</p> <p>We are prepared to accept that performance may be below the national sector performance as we develop enhancement processes and develop staff capacity.</p> <p>We will plan curriculum pathways and commit resource that enables study at each SCQF level and also take account of entry qualifications and also routes to employment and further study.</p> <p>We are prepared to commit resource to ensure that our teaching staff have TQFE and relevant CPD to deliver to the highest standards.</p> <p>We are prepared to commit resource to ensure that we provide support to retain students and enable their progression.</p>
<p>Name: Failure to adherence to academic compliance arrangements</p> <p>Risk No: 9</p> <p>Contact: DP Learning, Skills, and Student Experience</p>	<p>We are averse to actions that compromise our compliance with awarding body quality arrangements which would endanger our ability to deliver qualifications.</p> <p>We have little appetite to be deemed 'unsatisfactory' by Education Scotland within the arrangements 'How good is our College.'</p>	<p>We are prepared to commit significant resource to the monitoring and minimisation of malpractice.</p> <p>We are prepared to commit significant resource to develop and implement an enhancement and improvement plan for teaching and support areas.</p>

Risk Area	Appetite Statement	How Delivered
<p>Name: Failure to achieving effective student outcomes</p> <p>Risk No: 10</p> <p>Contact: DP Learning, Skills, and Student Experience</p>	<p>We will endeavour to mitigate actions that affect the student experience by taking a cautious approach to risk.</p> <p>We are committed to the achievement of strategic goals through the strategic planning process and will ensure a “student first” approach to planning is paramount.</p>	<p>We will ensure that decisions made put students first and we will ensure that student feedback is featured first within our governance arrangements.</p> <p>We will take decisions which enhance processes to student satisfaction and will commit resources to onboarding and to student retention and support.</p> <p>We will ensure that the Student Association is provided with resources to enable it to contribute to student life and to the life and work of the College.</p>

RISK DEFINITION		ORIGINAL TASK				RESIDUAL RISK				Risk Appetite	Trend
No	Risk	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		Open 16-20	=
2	Legal actions; serious accident; incident or civil/criminal breach (BoM)	5	3	15		3	2	6		Averse 1-6	=
Responsible Person – Executive Director of Finance											
3	Failure to achieve institutional sustainability (FGP)	5	5	25		4	5	20		Cautious 7-10	=
4	Financial Fraud (AUD)	4	3	12		3	2	6		Averse 1-6	=
6	Failure to meet regulatory obligations (BoM)	3	5	15		5	1	5		Averse 1-6	=
Responsible Person – Vice Principal People and Transformation											
5	Business Continuity Incident – Fire, Systems, Emergency Procedures, Health (BoM)	4	4	16		4	3	12		Averse 1-6	=
7	Failure to achieve effective Industrial Relations (FGP)	3	4	12		2	3	6		Averse 1-6	=
11	Failure to achieve and maintain systems and operable and secure ICT (AUD)	4	5	20		3	5	15		Averse 1-6	=
12	Health and Safety (BOM)	4	5	20		3	4	12		Averse 1-6	=
Responsible Person - Depute Principal Learning, Skills and Student Experience											
8	Failure to achieve highest academic performance levels (LT)										

Risk Appetite Review

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		3	4	12		1	4	4		Cautious 7-10	v
9	Failure to adhere to academic compliance arrangements (LT)										
		4	3	12		2	2	4		Averse 1-6	=
10	Failure to achieve an effective student experience (LT)										
		3	4	12		1	4	4		Cautious 7-10	v

Risks which should be monitored by the Risk Management Group:	Scores: 1 – 8	Minor Risk
Risks to be brought to the attention of SLT and Board of Management:	Scores: 9 - 15	Moderate 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	Critical Risk



DUMFRIES AND GALLOWAY COLLEGE

Internal Audit Progress Report

28 November 2024

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.



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KEY MESSAGES

The internal audit plan for 2024/25 was approved by the Audit Committee at the 4 June 2024 meeting. This report provides an update on progress against the plan and summarises the results of our work to date.



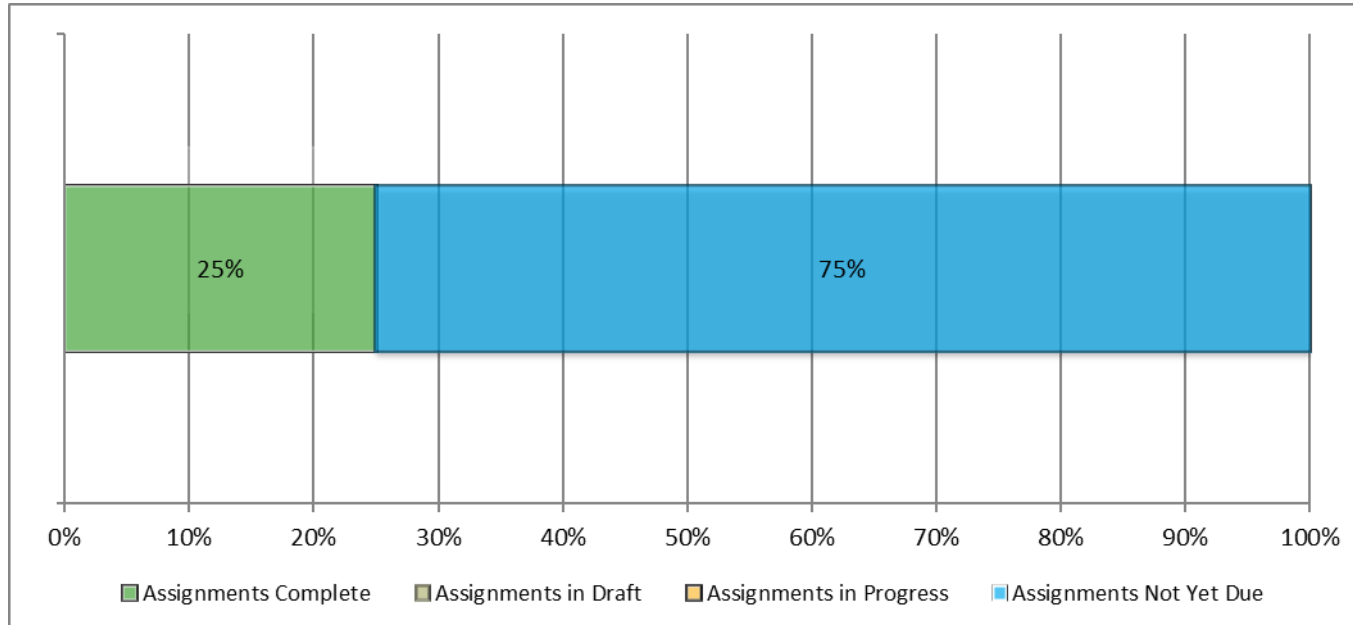
We have issued 2 final reports as part of the internal audit plan since the Audit Committee meeting on 19 September 2024:

- FES Return.
- Student Support Fund.

A summary of the outcome of these reviews is provided in Section 1. [\[To discuss and note\]](#)

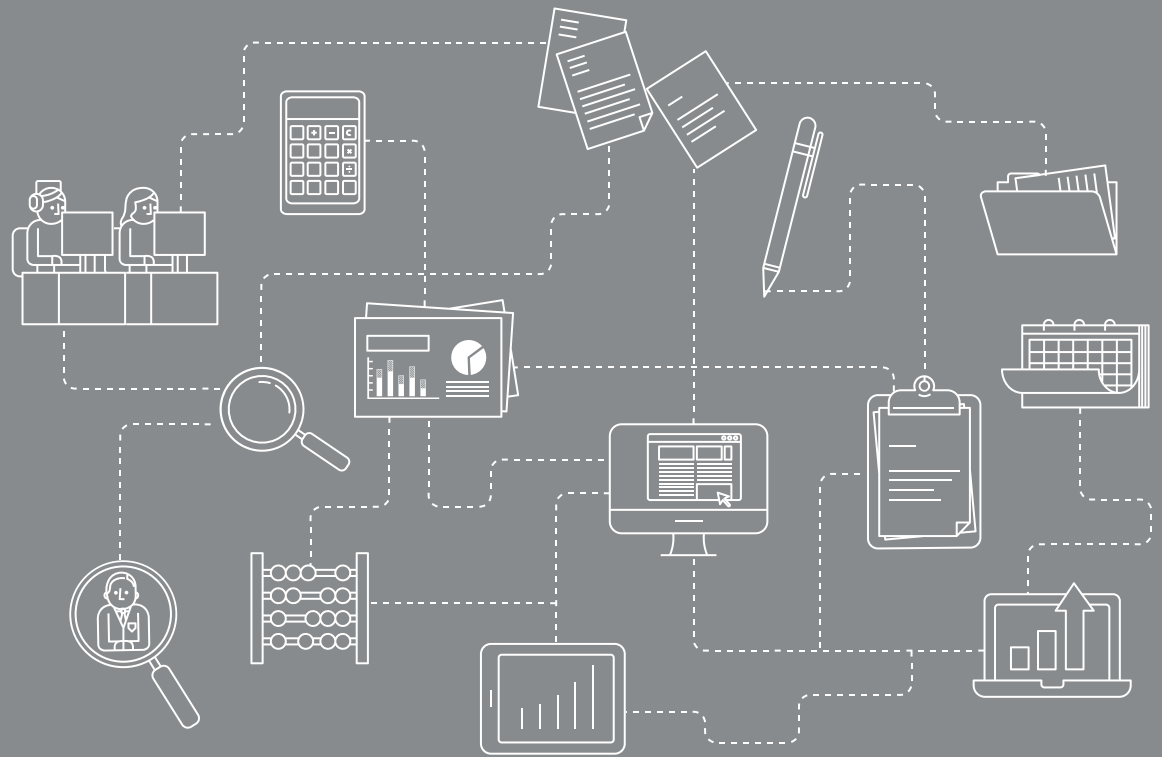
Details of the progress made against the internal audit plan are included at Appendix A. [\[To note\]](#)

The graph below provides a summary update on progress against the 2024/25 plan. [\[To note\]](#)



Final Reports

01



1 FINAL REPORTS

1.1 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			
		A	L	M	H
Student Support Fund	Substantial Assurance	0	0	0	0
<u>Objective:</u> To confirm the College has appropriate systems and procedures in place to record the receipt of funds from the Scottish Funding Council (SFC), assessment of student eligibility for payments, disbursement of funds to students and compilation of their annual return to the SFC.					
<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 2023 / 2024. We have not identified any findings as part of our audit review and therefore no management actions have been raised.					
FES Return	Reasonable Assurance	1	1	1	0
<u>Objective:</u> The College has appropriate systems and controls in place to support its underlying data that supports its further educational statistical return and supporting systems.					
<u>Conclusion:</u> 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 2023/24 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 related to the following:					

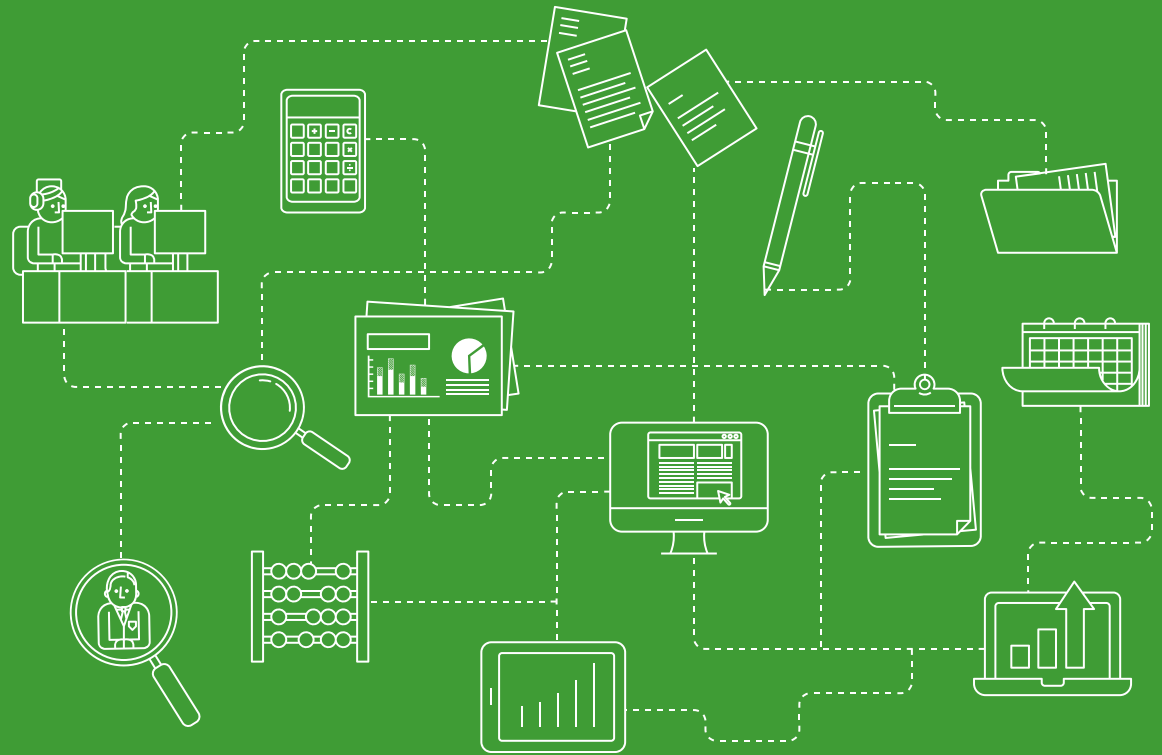
Assignment	Opinion issued	A	L	M	H
<ul style="list-style-type: none"> Non-accredited work experience From our sample of five learners who had credits claimed for non-accredited work experience programmes, four of the learners did not have documented evidence to support the hours completed. The retention of evidence to support the number of hours completed on non-accredited work experience placements was identified as a high risk area within the audit guidance, and an area of common findings in previous audits. 					

1.2 Themes arising from control observations

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

Appendices

02



APPENDIX A: PROGRESS AGAINST THE INTERNAL AUDIT PLAN 2024/25

Assignment	Status / Opinion issued	Actions agreed			Target Audit Committee (as per IA plan 4 June 2024 / change control*)	Actual Audit Committee
		L	M	H		
Student Support Fund	Substantial Assurance	0	0	0	November 2024	November 2024
FES Return	Reasonable Assurance	1	1	0	November 2024	November 2024
Board / Committee Inductions	Audit scheduled for week commencing 24 February 2025	-	-	-	June 2025	-
Curriculum Planning	Audit scheduled for week commencing 3 March 2025	-	-	-	June 2025	-
Health and Safety*	Audit scheduled for week commencing 10 March 2025	-	-	-	June 2025	-
Key Financial Controls	Audit scheduled for week commencing 7 April 2025	-	-	-	June 2025	-
Safeguarding	Audit scheduled for week commencing 28 April 2025	-	-	-	June 2025	-
Follow Up of Previous Internal Audit Management Actions*	Audit scheduled for week commencing 9 June 2025	-	-	-	September 2025	-

* The timing of these audits have been changed to accommodate staff availabilities (we have not noted any issues with these timing changes). See Appendix B below

APPENDIX B: OTHER MATTERS

Detailed below are the changes to the audit plan:

Note	Auditable area	Reason for change
1	Health and Safety	We agreed with management to reschedule this audit from week commencing 2 December 2024 to week commencing 10 March 2025. The report will now be presented to the June 2025 Audit Committee meeting.
2	Follow Up of Previous Internal Audit Management Actions	We agreed with management to reschedule this audit from week commencing 28 April 2025 to week commencing 9 June 2025. The report will now be presented to the September 2025 Audit Committee meeting.

Quality assurance and continual improvement

To ensure that RSM remains compliant with the Internal Audit Standards 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 are used to inform the training needs of our audit teams.

As part of the Quality Assessment and Improvement Programme, none of your files were selected for Internal Quality Monitoring programme during 2024/25. From the results of the reviews undertaken across our client base, there are no areas which we believe warrant flagging to your attention as impacting on the quality of the service we provide to you.

In addition to this, any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments is also taken into consideration to continually improve the service we provide and inform any training requirements.

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. Following the completion of each product, we include a link to a brief survey in each report we issue.

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.

Feedback was received from management in respect of the FES Return audit. This was positive in respect of the delivery of the audit itself, but a comment was raised regarding use of RSM's new Client Portal document-sharing platform, which is being investigated.

APPENDIX C: KEY PERFORMANCE INDICATORS

	Delivery				Quality		
	Target	Actual	Notes		Target	Actual	Notes
Audits commenced in line with original timescales*	Yes	Yes		Conformance with IIA Standards	Yes	Yes	
Draft reports issued within 10days of debrief meeting	10 days	2 / 2 (100%)		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	0 / 2 (0%)	*	Response time for all general enquiries for assistance	2 working days	2 days	
Final report issued within 3 days of management response	3 days	2 / 2 (100%)		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.

* Management responses received in respect of the Student Support Fund and FES Return draft reports at 31 and 28 working days respectively.

FOR FURTHER INFORMATION CONTACT

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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.

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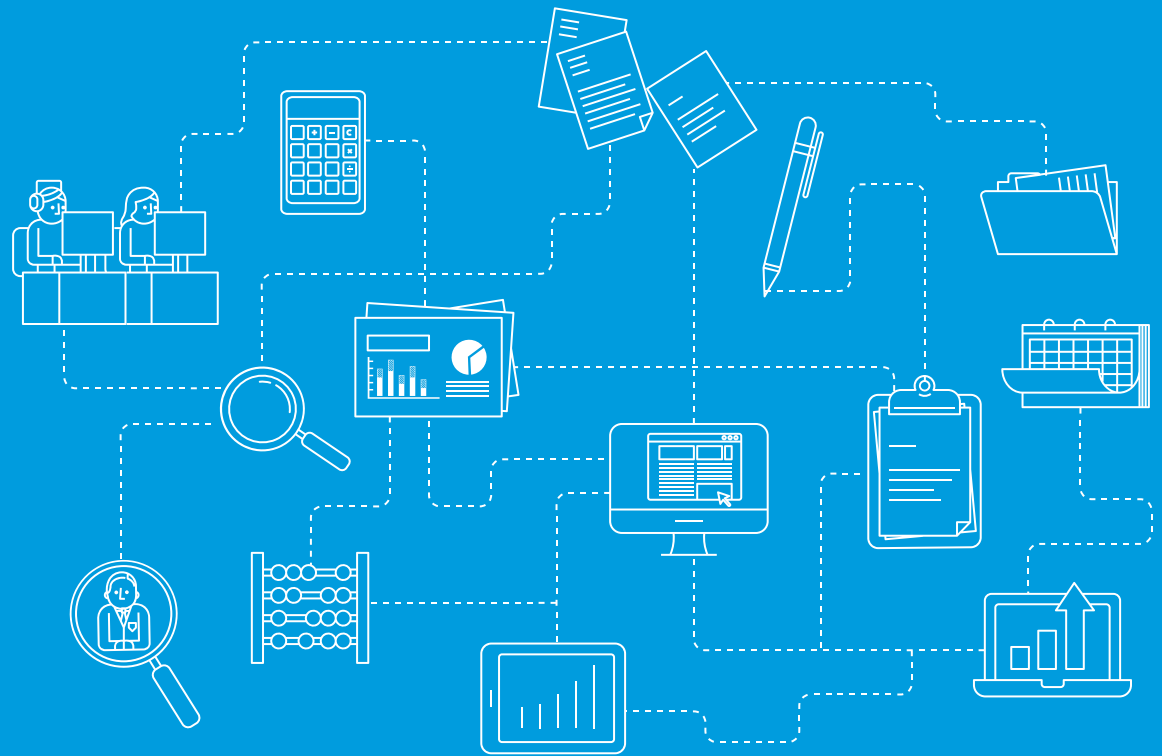
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Appendices

03



APPENDIX A: CATEGORISATION OF FINDINGS

Categorisation of internal audit findings

Low
There is scope for enhancing control or improving efficiency.

Medium
Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible reputational damage, negative publicity in local or regional media.

High
Immediate management attention is necessary. This is a serious internal control or risk management issue that may lead to: Substantial losses, violation of corporate strategies, policies or values, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

The following table highlights the number and categories of management actions made as a result of this audit.

Area	Control design not effective*	Non-compliance with controls*	Agreed actions			
			Low	Medium	High	Suggestion
Further Educational Statistical (FES) Return	1 (14)	1 (14)	1	1	0	1
Total			1	1	0	1

* Shows the number of controls not adequately designed or not complied with. The number in brackets represents the total number of controls reviewed in this area.

APPENDIX B: SCOPE

The scope below is a copy of the original document issued.

Scope of the review

The scope was planned to provide assurance on the controls and mitigations in place relating to the following area:

Objective of the area under review

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

When planning the audit, the following were agreed:

Areas for consideration:

- Only fundable activity is included in the credit count.
- Only fundable students are included in the credit count.
- Programmes are classified correctly.
- Infill students are counted as part of the programme which is being infilled.
- The correct dominate price group is allocated to the programme.
- Students meet the attendance criteria.
- The correct credit value is claimed for the programme of study.
- The credits claimed for students do not exceed full time levels.
- FT fee per student is recorded accurately.
- Fee waiver is used correctly for eligible students and students with multiple enrolments.
- Students enrolled on open / distance learning programmes are monitored and withdrawn when required.
- Non-accredited work experience / placements are set, monitored and recorded accurately.
- Credit values are claimed correctly for collaborative provision.
- Spanning courses.

Limitations to the scope of the audit assignment:

- This review is based on the areas of risk and audit considerations identified in the FES Return Guidance 2023/2024. Therefore, we will not review the entire control framework.
- Testing will be undertaken on a sample basis only.
- This audit does not give full assurance that the underlying data is accurate.
- The work conducted does not constitute assurance that the funding claim submitted by the College is accurate and correct.
- Any funding claim in respect of the College's provision has been prepared by, and is the sole responsibility of, the management of the College.
- The findings of this report should not be considered to detail all errors that may currently or may in the future exist in the paper and computer records relating to the learner number system.
- The results of our work are reliant on the quality and completeness of the information provided to us.
- Our work will not provide an absolute assurance that material errors, loss or fraud do not exist.

APPENDIX C: FURTHER AUDITOR'S REPORT

Auditor's report to members of College Board of Management

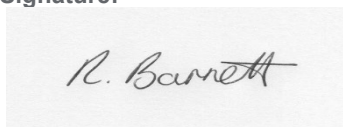
We have audited the FES return which has been prepared by **Dumfries and Galloway College** under SFC's Credit Guidance for colleges issued 12th June 2023 and which has been confirmed as being free from material misstatement by the College's Principal in his/her Certificate dated _____.

We conducted our audit in accordance with the 2023-24 audit guidance for colleges. The audit included an examination of the procedures and controls relevant to the collection and recording of student data. We evaluated the adequacy of these controls in ensuring the accuracy of the data. It also included examination of evidence relevant to the figures recorded in the student data returns. We obtained sufficient evidence to give us reasonable assurance that the returns are free from material misstatements.

In our opinion:

- The student data returns have been compiled in accordance with all relevant guidance.
- Adequate procedures are in place to ensure the accurate collection and recording of the data.
- (Subject to the exceptions identified in this report) we can provide reasonable assurance that the FES return is free from material misstatements.

Signature:

A rectangular box containing a handwritten signature in black ink that reads "R. Barnett".

Date: 4 October 2024

Name of audit firm: RSM Risk Assurance LLP

Contact name: Robert Barnett

Contact telephone number: +44 115 964 4520

Date FES returned:

Debrief held	27 September 2023	Internal audit contacts	Robert Barnett, Head of Internal Audit
Additional evidence and debrief held			Mike Gibson, Managing Consultan
Draft report issued	4 October 2024		Hollie Adams, Principal Consultant
Responses received	13 November 2024		Sam Wood, Senior Consultant
			Ella Robson, Consultant
Final report issued	13 November 2024	Client sponsor	Joanna Ward, Student Records Manager
		Distribution	Joanna Ward, Student Records Manager

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