

Audit Committee

Thursday 13 March 2025 (1600-1800) Virtually by Teams

Agenda

Time	Item	Lead	Paper
	1. Welcome and Apologies <ul style="list-style-type: none"> ➤ Declaration of Interests and Connections 	JR	Verbal
For Approval			
	2. Minutes of Previous Meetings and Matters Arising <ul style="list-style-type: none"> ➤ Thursday 28 November 2024 ➤ Action Log 	JR LG	Paper 2.1 Paper 2.2
	3. Strategic Risk Register <ul style="list-style-type: none"> ➤ Deep Dive – Risk 6: Failure to meet regulatory obligations 	LG KH	Paper 3.1 Paper 3.2
For Discussion			
	4. Internal Audit Progress Report <ul style="list-style-type: none"> ➤ Board/Committee Induction Report ➤ Payroll Audit (Addition to plan) ➤ Internal Audit Tracker 	AM AM JC LG	Paper 4.1 Paper 4.2 Verbal Paper 4.3
	5. Review of internal controls to mitigate cyber attack	KG	Paper 5.1
For Information only			
	6. Application Note Global Internal Audit Standards	AM	Paper 6.1
	7. AOCB	JR	Verbal
	8. Date of next meeting <ul style="list-style-type: none"> ➤ Thursday 29 May 2025 	JR	Verbal

Status: Approved

Audit Committee Meeting

Minute of Meeting 13 March 2025 at 16:00-18:00hrs Via Teams

Present:		
Jamie Ross (JR) (Chair)	William Dowson (WD)	Kirsty Duncan (KD)
	Sue Irving (SI)	Alastair Irons (AI)
In attendance:		
Caroline Stuart (CS)	Joe McGraw (JM)	Robert Barnett (RSM)
Douglas Dickson (DD)	Lorraine Grierson (LG)	Karen Hunter (KH)
Alexandra Elkins (Minute taker)	Joanna Campbell (JC)	
Apologies:		
Ann Hill (AH)	Gillian Brydson (GB)	

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

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

FOR APPROVAL

2. Minutes of Previous Meetings and Matters Arising

2.1. Minute of the Previous Meeting 28 November 2024 | Paper 2.1 | Approval | J Ross

- 2.1.1. The minute of the last meeting was approved.

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

- 2.2.1. Items 1 – 4 were closed, however there had been no further updates in relation to item 5 and it was agreed that the Governance Professional would contact Henderson Loggie.
- 2.2.2. **ACTION: - Contact Henderson Loggie. LG**
- 2.2.3. **The Committee approved the Action Log.**

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

- 3.1.1. There had been no change to the risks assigned to the Audit Committee
Risk 4: Financial Fraud and Risk 11: Failure to achieve and maintain systems and operable and secure ICT.

- 3.1.2. A paper had been tabled for discussion at item 5 to review a variety of controls and measures being undertaken to mitigate cyber-attack.
- 3.1.3. LG advised the Committee that following discussion at SLT, further refinement and alignment in reporting amongst all areas was required and therefore a review would be carried out and an update provided at the next Audit Committee meeting.
- 3.2. Deep Dive – Risk 6: Failure to meet regulatory obligations
- 3.3. The Executive Director of Finance introduced the paper and explained the overlap that existed with other Strategic Risks, specific Regulatory Obligations across a variety of areas and responsibility within the college.
- 3.4. Gross risk was moderate, and scoring had not changed in 4 years with systems providing good mitigations. PREVENT training has recently been delivered and narrative will be expanded to include the activity within the team. Mandatory training had supported GDPR and provided additional reassurance. Support provided by HEFESTIS (Higher Education / Further Education Technology and Information Services) was ongoing with systems and procedures considered robust. Second line of defence had included comprehensive risk assessment provided by insurers as well as the internal/external audit process and SFC scrutiny. Findings of a recent safeguarding inspection had been very good.
- 3.5. The Committee was invited to share comments and questions.
- 3.6. The Committee advised scrutiny of the risk in light of the Inherent and residual rating being unchanged for several years and some re-distribution of particular risks maybe required. One Member commented that the title of the risk maybe more fitting to include compliance in the title and did not support the re-distribution of the elements. It was requested that additional detailed narrative be included to reflect the activity by insurers and other specific actions.
- 3.7. The Depute principal advised that the item was a core part of inspection and review. Student experience covered some safeguarding items already and the remit was shared between the executive responsibilities.
- 3.8. **ACTION: - More explicit narrative to be included within the risk documentation regarding the above and the risk title to be changed to include 'compliance'. Continue to monitor any risks that are consistent. LG**
- 3.9. **The Committee approved the risk register.**
- 4. Internal Audit Progress Report | Paper 4.1 | Approval | R Barnett
- 4.1. An update on progress against the plan was provided with the recent Board and Committee Induction and Payroll audit finalised, all other audits were now booked for the remainder of the year. RSM expressed confidence to complete all work prior to the end of the financial year. An overview of client briefing, and technical review was included.
- 4.2. Board/Committee Induction Report | Paper 4.1 | Approval | R Barnett

- 4.3. Following the outcome of the Board and Committee induction report, Substantial Assurance had been provided, demonstrating appropriate and strong systems and controls in place, which were effective in supporting the consistent induction of Board and Committee members. As a result, no management actions were raised.
- 4.4. The Chair of the Board commended the report and work undertaken by the Governance Professional.
- 4.5. The Committee queried the lack of detail contained within the report which was considered inconsistent with the depth of scrutiny applied to other audits. LG confirmed that 8 new Board members had been audited which included training and evaluation.
- 4.6. RSM confirmed that the scope had been agreed and fulfilled and noted the comments for future audits.
- 4.7. Payroll Audit (Addition to plan)
- 4.8. The Principal advised Members of the background and context of the request for an additional Payroll Audit..
- 4.9. **ACTION: The audit report to be circulated to the Committee as soon as it's concluded. LG**
- 4.10. Benchmarking Report
- 4.11. A summary was provided for 23/24, including actions raised and assurance opinions provided. The College had shown the strongest performance for the sector in all areas with 71% which was well-above average. It was confirmed that most clients within the sector were English based.
- 4.12. Internal Audit Tracker | Paper 4.3 | L. Grierson
- 4.13. All actions had been completed.
- 4.14. **The Committee noted the Report.**

KG joined the meeting 16:53hrs.

- 4.15. **Review of internal controls to mitigate cyber-attack | Paper 5.1 | K Glendye**
- 4.16. An overview of the paper was provided with the aim to provide comfort to the Committee on a range of mitigations in place to enhance cyber security.
- 4.17. The Committee welcomed the detailed information provided and stated that mandatory staff training had been discussed at the recent HR subcommittee and scrutiny of the item was being applied..
- 4.18. **The Committee noted the report.**

KG left at 17:05.

FOR DISCUSSION

5. Application Note Global Internal Audit Standards | Paper 6.1 | AM

5.1. Full compliance with the new standards would be effective from 1 April 2025 and adopted by Public Sector Standards, assurance was provided that RSM was largely compliant, and a number of updates had been implemented to ensure compliance. EQA assessment had been undertaken and the highest opinion awarded.

5.2. **The Committee noted the Internal Audit Progress Report.**

FOR INFORMATION ONLY

6. AOCB

6.1. No further business was raised.

7. Date of the Next Meeting

7.1. The date of the next meeting is scheduled for Thursday 29 May 2025 at 1600hrs.

Key

	Ongoing
	Closed
	Overdue

AUDIT COMMITTEE ACTION LOG 13.03.25

No	Meeting Date	Action	Lead	Deadline	Status	Commentary
1	28/11/24	Delivery dates to be included in the Health and Safety Action Plan	JM	Mar 25	Closed	Action Plan discussed at each SLT meeting through 2024 and all actions were complete in December.
2	28/11/24	Risk appetite – changes to risk appetites to be communicated to relevant Committee chairs	LG	Mar 25	Closed	Committee Chairs advised of changes to risk appetites pertinent to Committee.
3	28/11/24	<u>Audit committee Annual Report</u> Additional narrative to be provided at 3.7 <u>Draft Financial Statements</u> Narrative to be adjusted to highlight 3 positive achievements. Circulate Letter of Representation.	KH	Dec 24	Closed	Annual Report updated. Letter circulated. Narrative amended for BoM in Dec 24.
4	28/11/24	<u>Recruitment of Internal Auditor</u> Paper to be submitted to Audit and BoM outlining process.	LG/KH	Dec 24	Closed	Sent to Audit committee December and approved at BoM Dec 24
5	28/11/24	<u>Arrange a meeting with Chair of Audit and HL</u>	KH	Dec 24	Ongoing	HL advised and will contact Chair of Audit committee.

Audit Committee		
Agenda Item	3	
Paper Number	AUD0325-3.1	
Date of Meeting	25 February 2025	
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.

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.

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 – no changes to ratings. Participation in National Fraud Initiative exercise has been included in Organisation Oversight of Management Activity.
 - Risk 11: Failure to achieve and maintain systems and operable and secure ICT – no changes applied. Paper submitted to Committee Mar25 outlining various controls and measures taken to mitigate cyber attacks. AI Policy being prepared which includes controls and measures re AI use.

3.5 Learning and Teaching Committee

- 3.5.1 There have been no changes to Risks 8,9,10.
- Risk 8: Academic Performance
 - Risk 9: Failure to adhere to Academic Compliance
 - Risk 10 - Failure to achieve an effective student experience

3.6 Finance and General-Purpose Committee

- 3.6.1 There have been no changes to Risks 3,7
- Risks 3 - Failure to achieve institutional sustainability
 - Risk 7 – Industrial Relations.

4. Strategic Implications

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

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

25 February 2025

Dumfries and Galloway College

DGC Strategic Risk Register

RISK DEFINITION		ORIGINAL TASK				RESIDUAL RISK				RISK APPETITE
No	Risk	Likelihood	Impact	Total	Risk Level	Likelihood	Impact	Total	Risk Level and trend	above/below
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	=	Cautious 7-10 ↓
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	=	Cautious 7-10 ↓
6	Failure to meet regulatory obligations (BoM)									
		3	5	15		5	1	5	=	Cautious 7-10 ↓
Responsible Person – Vice Principal People and Transformation										
5	Business Continuity Incident – Fire, Systems, Emergency Procedures, Health (BoM)									
		4	4	16		4	3	12	=	Cautious 7-10 ↑
7	Failure to achieve effective Industrial Relations (FGP)									
		3	4	12		2	3	6	=	Moderate 11-15 ↓
11	Failure to achieve and maintain systems and operable and secure ICT (AUD)									
		4	5	20		3	5	15	=	Cautious 7-10 ↑
12	Health and Safety (BOM)									
		4	5	20		3	4	12	=	Cautious 7-10 ↑
Responsible Person - Depute Principal Learning, Skills and Student Experience										

8	Failure to achieve highest academic performance levels (LT)									
		3	4	12		1	4	4	=	Moderate 11-15 ↓
9	Failure to adhere to academic compliance arrangements (LT)									
		4	3	12		2	2	4	=	Cautious 7-10 ↓
10	Failure to achieve an effective student experience (LT)									
		3	4	12		1	4	4	=	Moderate 11-15 ↓

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
1-8 Acceptable level of risk subject to periodic review.	Minor: Risks which should be monitored by the Risk Management Group	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.
9-15 Moderate level of risk subject to regular monitoring and mitigating actions and plans being in place	Moderate: Risks to be brought to the attention of SLT and Board of Management	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.
16-20 Unacceptable level of risk requiring immediate actions and plans to prevent or mitigate.	Major: Risks to be reported to, and monitored by, BoM	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.
21-25 Critical level of risk requiring urgent attention and actions to prevent or mitigate.	Critical: Risks to be reported to, and monitored by, BoM	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				

DGC Risk Appetite

Classification	Description
Averse 1-6	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 7-10	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 11-15	Tending predominantly towards exposure to only modest levels of risk to achieve acceptable, but possibly unambitious outcomes or benefits.
Open 16-20	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 21-25	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.

Impact	5 Averse	10 Cautious	15 Moderate	20 Open	25 Hungry
	4 Averse	8 Cautious	12 Moderate	16 Open	20 Open
	3 Averse	6 Averse	9 Cautious	12 Moderate	15 Moderate
	2 Averse	4 Averse	6 Averse	8 Cautious	10 Cautious
	1 Averse	2 Averse	3 Averse	4 Averse	5 Averse
	Likelihood				

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)	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"> 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)	IMPACT	(B)	What is the total risk score? (A x B)	9/25
	3/5		3/5		

Risk Status	Meeting 1 MOD	Meeting 2 MOD	Meeting 3 MOD	Meeting 4
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No.	Risk and Risk Appetite	Averse 1-6	Cautious 7-10	Moderate 11-15	Open 16-20	Hungry 21-25
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					

QTR	UPDATE SINCE LAST REVIEW / ACTIONS AND TREATMENT		APPETITE IN/OUT
Q1	Update	Owner – all mitigations have been reviewed and updated. No change to grades. BoM Approved	Under
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat		
Q2	Update	Owner – independent assurance mitigations updated considering Tertiary Quality Enhancement Framework. BoM approved	Under
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat		
Q3	Update	Owner - all mitigations have been reviewed and updated. No change to grades.	Under
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat		
Q4	Update		
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat		

Strategic Objective:	Risk No: 2 Legal Actions, Serious Incidents
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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
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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) 3/5	IMPACT	(B) 2/5	What is the total risk score? (A x B)	6/25
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Risk Status	Meeting 1 MIN	Meeting 2 MIN	Meeting 3 MIN	Meeting 4
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No.	Risk and Risk Appetite	Averse1-6	Cautious 7-10	Moderate 11-15	Open 16-20	Hungry 21-25
2	Legal actions; serious accident; incident or civil/criminal breach					

QTR	UPDATE SINCE LAST REVIEW / ACTIONS AND TREATMENT			APPETITE IN/OUT
Q1	Update	Owner – all mitigations have been reviewed and updated. No change to ratings. BoM - approved.		Over by 1
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat			

Q2	Update	Owner - all mitigations have been reviewed and updated. No change to ratings. BoM – approved.		Over by 1
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat			

Q3	Update	Owner – no changes		Over by 1
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat			

Q4	Update			
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If outside appetite – what are tolerance levels and Actions/ Plans to Treat		
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Strategic Objective: Risk No: 3 Financial Sustainability

Reference to Risk Registers:	Financial	Owner: Ex Dir of Finance 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) 5/5	IMPACT	(B) 5/5	What is the total risk score? (A x B)	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) 4/5	IMPACT	(B) 5/5	What is the total risk score? (A x B)	20/25
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Risk Status	Meeting 1 MAJ	Meeting 2 MAJ	Meeting 3 MAJ	Meeting 4
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No.	Risk and Risk Appetite	Averse 1-6	Cautious 7-10	Moderate 11-15	Open 16-20	Hungry 21-25
3	Failure to achieve institutional sustainability					

QTR	UPDATE SINCE LAST REVIEW / ACTIONS AND TREATMENT		APPETITE IN/OUT
Q1	Update	Owner – all mitigations have been reviewed and updated. No change to ratings. FGP/BoM – approved.	Over
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat		
Q2	Update	Owner - No changes to ratings. FGP/BoM - approved	Over
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat		
Q3	Update	Owner - no change to ratings.	Over
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat	Ongoing budget monitoring and reporting/ savings plans progressing including VS scheme, and cost control.	
Q4	Update		
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat		

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) 4/5	IMPACT	(B) 3/5	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
Front Line	<ul style="list-style-type: none"> No PO / no Pay policy 	<ul style="list-style-type: none"> Continuous review of financial

(Management Assurance) Operational Delivery /Systems /Quality Assurance /Supervision	<ul style="list-style-type: none"> Scheme of Delegation Segregation of duties and review of transactions Staff training and sharing of good practice for risks 	controls and spot checks by team <ul style="list-style-type: none"> 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 Participation in Audit Scotland's National Fraud Initiative exercise for reporting and review
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) 3/5	IMPACT	(B) 2/5	What is the total risk score? (A x B)	6/25
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Risk Status	Meeting 1 MIN	Meeting 2 MIN	Meeting 3 MIN	Meeting 4
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No.	Risk and Risk Appetite	Averse 1-6	Cautious 7-10	Moderate 11-15	Open 16-20	Hungry 21-25
4	Financial Fraud					

QTR	UPDATE SINCE LAST REVIEW / ACTIONS AND TREATMENT			APPETITE IN/OUT
Q1	Update	Owner – all mitigations have been reviewed and updated. No change to ratings. AUD/BoM – approved.		Ok
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat			

Q2	Update	Owner - all mitigations have been reviewed and updated. No change to ratings. No changes. Aud/BoM approved.		Ok
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat			

Q3	Update	Owner - Participation in National Fraud Initiative exercise included in Organisation Oversight of Management Activity		Ok
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat			

Q4	Update			
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	If outside appetite – what are tolerance levels and Actions/ Plans to Treat	
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Strategic Objective: Risk No: 5 Business Continuity

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

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"> 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 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) 4/5	IMPACT?	(B) 3/5	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 MOD	Meeting 4
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No.	Risk and Risk Appetite	Averse 1-6	Cautious 7-10	Moderate 11-15	Open 16-20	Hungry 21-25
4	Financial Fraud					

QTR	UPDATE SINCE LAST REVIEW / ACTIONS AND TREATMENT		APPETITE IN/OUT
Q1	Update	Owner – all mitigations have been reviewed and updated. No change to ratings. AUD/BoM – approved.	Ok
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat		

Q2	Update	Owner - all mitigations have been reviewed and updated. No change to ratings. No changes. Aud/BoM approved.			Ok
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat				

Q3	Update	Owner – no changes			OK
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat				

Q4	Update				
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat				

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

3 LINES OF DEFENCE	MITIGATIONS	MONITORING
Front Line	<ul style="list-style-type: none"> Prevent, Health and Safety and 	<ul style="list-style-type: none"> Business Continuity Plan including

(Management Assurance) Operational Delivery /Systems /Quality Assurance /Supervision	<ul style="list-style-type: none"> Safeguarding training Staff awareness and contingency planning Engagement/practice sharing with local agencies 	<ul style="list-style-type: none"> 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) 5/5	IMPACT	(B) 1/5	What is the total risk score? (A x B)	5/25
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Risk Status	Meeting 1 MIN	Meeting 2 MIN	Meeting 3 MIN	Meeting 4
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No.	Risk and Risk Appetite	Averse 1-6	Cautious 7-10	Moderate 11-15	Open 16-20	Hungry 21-25
6	Failure to meet regulatory obligations					

QTR	UPDATE SINCE LAST REVIEW / ACTIONS AND TREATMENT		APPETITE IN/OUT
Q1	Update	Owner – all mitigations have been reviewed and updated. No change to ratings. BoM – approved.	Ok
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat		

Q2	Update	Owner - no changes. BoM approved.			Ok
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat				

Q3	Update	Owner - no changes.			Ok
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat				

Q4	Update				
	If outside appetite – what are tolerance				

	levels and Actions/ Plans to Treat	
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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) 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
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 MIN	Meeting 4
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No.	Risk and Risk Appetite	Averse 1-6	Cautious 7-10	Moderate 11-15	Open 16-20	Hungry 21-25
7	Failure to achieve effective Industrial Relations					

QTR	UPDATE SINCE LAST REVIEW / ACTIONS AND TREATMENT		APPETITE IN/OUT
Q1	Update	Owner – reviewed and updated mitigations. No change to ratings. FGP – after discussion it was agreed that industrial disputes/ASOS have currently 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.	Ok
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat		
Q2	Update	Owner - all mitigations have been reviewed and updated. No change to ratings. FGP/BoM approved	Ok
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat		
Q3	Update	Owner – no changes.	Ok
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat		
Q4	Update		
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat		

Strategic Objective: Risk No: 8 Failure to achieve highest academic performance

Reference to Departmental Risk Registers:	Organisational	Owner: DP Learning Skills and Student Experience
Description of the Risk:	Failure to achieve highest academic performance levels	
What are the possible consequences if the risk was to emerge?	Loss of reputation in the region, financial sustainability, ability to attract future students and educational partners Note – College performance has been a long term issue. Recent data and external scrutiny identifies a 3 year trend of sustained student success improvement.	

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 and Action Plan 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) 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 MIN	Meeting 4
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No.	Risk and Risk Appetite	Averse 1-6	Cautious 7-10	Moderate 11-15	Open 16-20	Hungry 21-25
8	Failure to achieve highest academic performance levels					

QTR	UPDATE SINCE LAST REVIEW / ACTIONS AND TREATMENT			APPETITE IN/OUT
Q1	Update	Owner – all mitigations have been reviewed and updated. BoM, L&T Approved		Below
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat			

Q2	Update	Owner – addition to independent monitoring, residual likelihood reduced to 4/25 due to positive 3-year PI trend. LT/BoM approved		Below
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat			

Q3	Update	Owner – no changes.		Below
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	If outside appetite – what are tolerance levels and Actions/ Plans to Treat	
Q4	Update	
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat	

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) 4/5	IMPACT	(B) 3/5	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
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 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
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NET RISK SCORE (i.e with controls in place)					
LIKELIHOOD	(A) 2/5	IMPACT	(B) 2/5	What is the total risk score? (A x B)	4/25

Risk Status	Meeting 1 MIN	Meeting 2 MIN	Meeting 3 MIN	Meeting 4
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No.	Risk and Risk Appetite	Averse 1-6	Cautious 7-10	Moderate 11-15	Open 16-20	Hungry 21-25
9	Failure to adhere to academic compliance arrangements					

QTR	UPDATE SINCE LAST REVIEW / ACTIONS AND TREATMENT		APPETITE IN/OUT
Q1	Update	Owner – all mitigations have been reviewed and updated. No change to ratings. LT/BoM – approved	Below
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat		

Q2	Update	Owner - all mitigations have been reviewed and updated. No change to ratings. LT/BoM approved	Below
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat		

Q3	Update	Owner – no changes	Below
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat		

Q4	Update		
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat		

Strategic Objective: Risk No: 10 Failure to achieve an effective student experience

Reference to Risk Registers:	Organisational	Owner: DP Learning, Skills and Student Experience (Inc Infrastructure/Marketing/ICT) LT
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) 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
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 and Action Plan reportage to SFC Outcome Framework and Assurance Model 	<ul style="list-style-type: none"> Reportage by /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 MIN	Meeting 4
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No.	Risk and Risk Appetite	Averse 1-6	Cautious 7-10	Moderate 11-15	Open 16-20	Hungry 21-25
10	Failure to achieve an effective student experience					

QTR	UPDATE SINCE LAST REVIEW / ACTIONS AND TREATMENT		APPETITE IN/OUT
Q1	Update	Owner – all mitigations have been reviewed and updated. No change to rating. LT/BoM – approved	Below
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat		
Q2	Update	Owner - all mitigations have been reviewed and updated. Residual 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/BoM approved.	Below
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat		
Q3	Update	Owner – no changes	
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat		
Q4	Update		
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat		

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 	<ul style="list-style-type: none"> Cyber exercises Phishing exercises Regular planned security monitoring.

	<ul style="list-style-type: none"> 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"> 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
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Risk Status	Meeting 1 MOD	Meeting 2 MOD	Meeting 3 MOD	Meeting 4
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No.	Risk and Risk Appetite	Averse 1-6	Cautious 7-10	Moderate 11-15	Open 16-20	Hungry 21-25
11	Failure to achieve and maintain systems and operable and secure ICT					

QTR	UPDATE SINCE LAST REVIEW / ACTIONS AND TREATMENT			APPETITE IN/OUT
Q1	Update	Owner – all mitigations have been reviewed and updated. No change to ratings. AUD/BoM – approved		Above
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat			

Q2	Update	Owner - all mitigations have been reviewed and updated. No change to ratings. AUD/BoM - approved		Above
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat			

Q3	Update	Owner – no changes		Above
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat	Paper submitted to Committee Mar25 outlining various controls and measures taken to mitigate cyber attacks. AI Policy being prepared which includes controls and measures re AI use.		

Q4	Update		
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat		

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
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Risk Status	Meeting 1 MOD	Meeting 2 MOD	Meeting 3 MOD	Meeting 4
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No.	Risk and Risk Appetite	Averse 1-6	Cautious 7-10	Moderate 11-15	Open 16-20	Hungry 21-25
12	Health & Safety compliance					

QTR	UPDATE SINCE LAST REVIEW / ACTIONS AND TREATMENT			APPETITE IN/OUT
Q1	Update	Owner – all mitigations have been reviewed and updated. No change to ratings. AUD/BoM – approved		Above
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat			

Q2	Update	Owner - all mitigations have been reviewed and updated. No change to ratings. AUD/BoM - approved		Above
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat			

Q3	Update	Owner - all mitigations have been reviewed and updated. No change to ratings.		Above
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat			

Q4	Update			
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat			

Audit Committee		
Agenda Item	3	
Paper Number	AUD0325-3.2	
Date of Meeting	13 March 2025	
Location	MS Teams	
Title of Paper	Risk 6 – Deep Dive - Failure to meet regulatory obligations	
Presented by	Karen Hunter	
Recommendation	Discussion	
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: 7 minutes

1. Recommendation

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

2. Executive Summary

- 2.1 The purpose of this paper is to provide the Audit Committee with a deeper dive into Risk 6 which is monitored by the Board of Management.
- 2.2 Risk 6 is Failure to meet regulatory obligations, and possible consequences are loss of reputation, impact to financial sustainability and Government Bodies intervention.

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 consideration by the Board of Management.
- 3.2 Context of risk and gross rating rationale
- 3.2.1 Risk 6 is 'Failure to meet regulatory obligations'. The context to this risk is the potentially serious impact on the College's reputation and operations for non-compliance with the regulatory framework relevant to a Further Education College in Scotland.
- 3.2.2 There is some overlap with other Strategic Risks, and specific Regulatory Obligations are also included in the following:

- Risk 2 – Legal Actions, Serious Incidents
- Risk 5 – Business Continuity
- Risk 9 – Academic regulatory arrangements
- Risk 11 – ICT regulatory controls
- Risk 12 – Health and Safety compliance

- 3.2.3 Risk 6 provides an overview, and is specifically focused on Prevent, GDPR, and Climate Change targets.
- 3.2.4 The gross risk is considered as Moderate, with a high score for **Impact** but medium for **Likelihood** of the risk occurring.

3.3 Outline of Key Mitigations

- 3.3.1 The Front Line of Defence and Quality Assurance mechanisms in place include the following mitigations:
- Mandatory training for all staff on Prevent and GDPR, which is monitored using the new Health & Safety Management System, and gives managers up to date information to support compliance
 - Managers and individuals with responsibility for Safeguarding and Counter terrorism measures are actively engaged with local and national groups to share best practice and regular updates
 - Data Protection Officer engagement through HEFESTIS, and regular sharing of good practice across the College sector

- Management oversight and monitoring of Climate Change actions, with defined reporting timescales.

3.2.2 Second Line of Defence mitigations in place include:

- Regular engagement and feedback from local and national groups, including Police Scotland, HEFESTIS, and Colleges Scotland
- Executive and Board level approval for formal report submissions, including compliance statements in statutory accounts, SFC Outcome Agreements, Information Governance review of GDPR reporting, Scottish Government reporting for Climate Change Duties
- Updated Safeguarding Policy and Procedure to address any gaps relevant to updated legislation
- Information Governance Group consideration of GDPR issues and changes
- Business Continuity review from external experts
- Comprehensive assessment from incoming insurers for implementation and risk assessment in June 2024, with annual update planned for 2025-26 cover

3.4 Outline Monitoring and residual grading rationale

3.4.1 Monitoring of the risk mitigations has included the following measures:

- Development of PRD process to identify training needs for individuals and managers, monitored on the new Health & Safety Management system
- F&GP consideration of Carbon Management Data in the Estates and Sustainability update
- F&GP oversight of the Information Governance Group
- Internal Audit review of GDPR completed in January 2024, and Safeguarding review included in 2024-25 plan
- External Audit completed annually, including Wider Scope review and conclusions reported to Audit Committee and Board of Management

3.4.2 Historic Grading Risk 6

Date	Inherent Grading	Residual Grading
21-22	15/25	5/25
22-23	15/25	5/25
23-24	15/25	5/25
24-25	15/25	5/25

3.5 Appetite and Tolerance

- 3.5.1 The Risk Appetite was discussed at the Board of Management meeting in December 2024. The Board recognise that the drive to make improvements in reporting and increase efficiencies in processing, and actions to achieve Climate Change ambitions may lead to potential disruption and manual work, within defined parameters.
- 3.5.2 The narrative for the Risk Appetite statement has been updated to recognise the transformation and modernisation of systems currently being undertaken including HR, payroll, finance and IT, with the Risk Appetite changed from 'Avoid' to 'Cautious' which reflects this acceptance of some low risk, but a preference for safe decision-making and strategy implementation.
- 3.5.3 The current residual rating is 5 and is below appetite which scores between 8-10.

4. Strategic Implications

- 4.1 This links to all strategic aims and business continuity.

5. Risk

Risk	Mitigations
Risk 6 – Failure to meet Regulatory Obligations (BOM)	<ul style="list-style-type: none"> ➤ Prevent, Health and Safety and Safeguarding training ➤ Staff awareness and contingency planning ➤ Engagement/practice sharing with local agencies

6. Implications

Financial	Yes	Failure to meet Regulatory Obligations has a potential impact across all of these areas, and mitigations are in place to ensure the impact of disruption is within the stated tolerance level.
Legal	Yes	
Learning and Teaching	Yes	
Equalities	Yes	

Karen Hunter

Executive Director, Finance and Strategic Planning

3 March 2025

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) 3/5	IMPACT	(B) 5/5	What is the total risk score? (A x B)	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"> 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) 5/5	IMPACT	(B) 1/5	What is the total risk score? (A x B)	5/25
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Risk Status	Meeting 1 MIN	Meeting 2 MIN	Meeting 3 MIN	Meeting 4
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No	Risk and Risk Appetite	Averse 1-6	Cautious 7-10	Moderate 11-15	Open 16-20	Hungry 21-25
6	Failure to meet regulatory obligations					

QTR	UPDATE SINCE LAST REVIEW / ACTIONS AND TREATMENT		APPETITE IN/OUT
Q1	Update	Owner – all mitigations have been reviewed and updated. No change to ratings. BoM – approved.	Ok
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat		

Q2	Update	Owner - no changes. BoM approved.	Ok
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat		

Q3	Update	Owner - no changes.	Ok
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat		

Q4	Update		
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat		



DUMFRIES AND GALLOWAY COLLEGE

Internal Audit Progress Report

13 March 2025

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.



Internal audit plan 2024/5

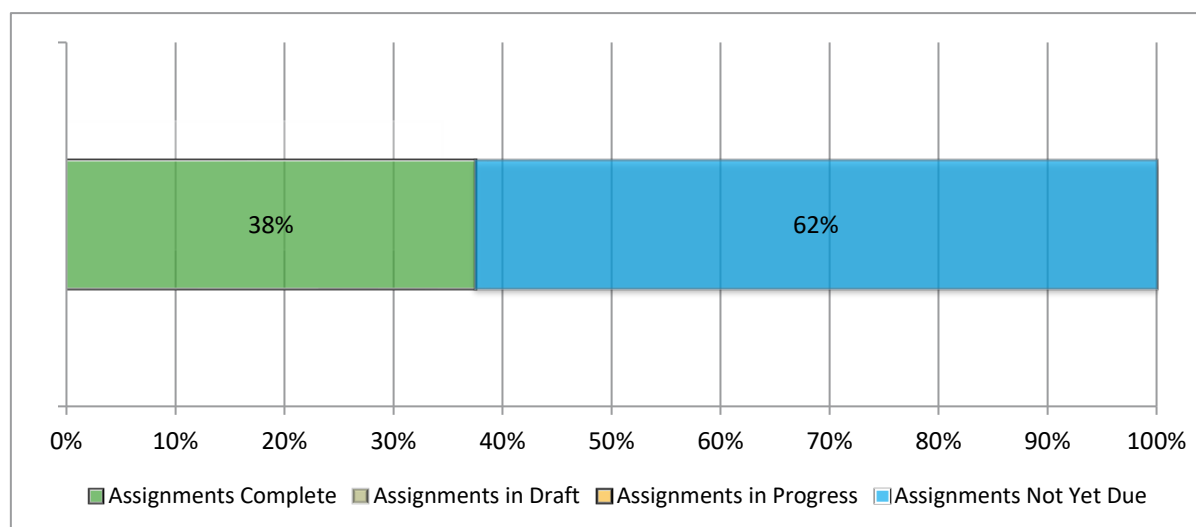
We have issued one final report as part of the internal audit plan since the Audit Committee meeting in November 2024:

- Board / Committee Inductions

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

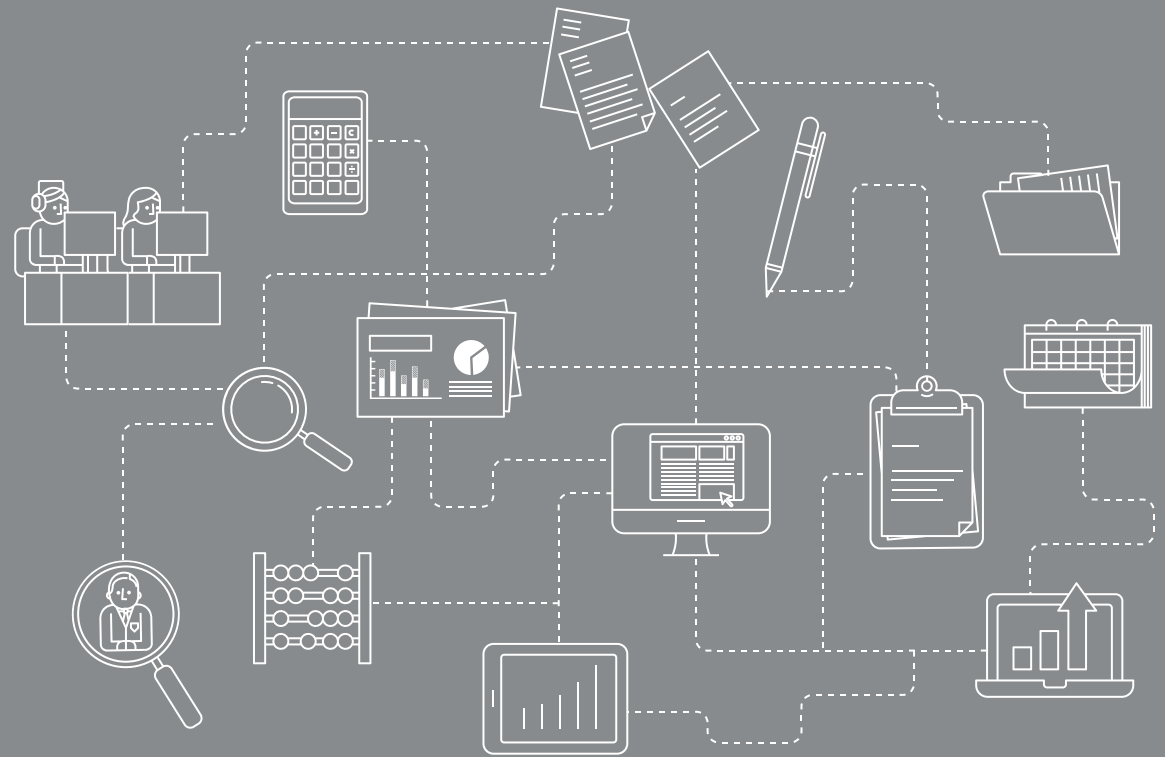
Details of the progress made against the internal audit plan are included at Appendix A. There has been one change to plan since the last Audit Committee. The original plan had a Key Financial Controls audit scheduled; however, this audit is now focussing on Payroll, due to a change in risk profile and move to a new Payroll system in April 2025. [\[To note\]](#)

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.

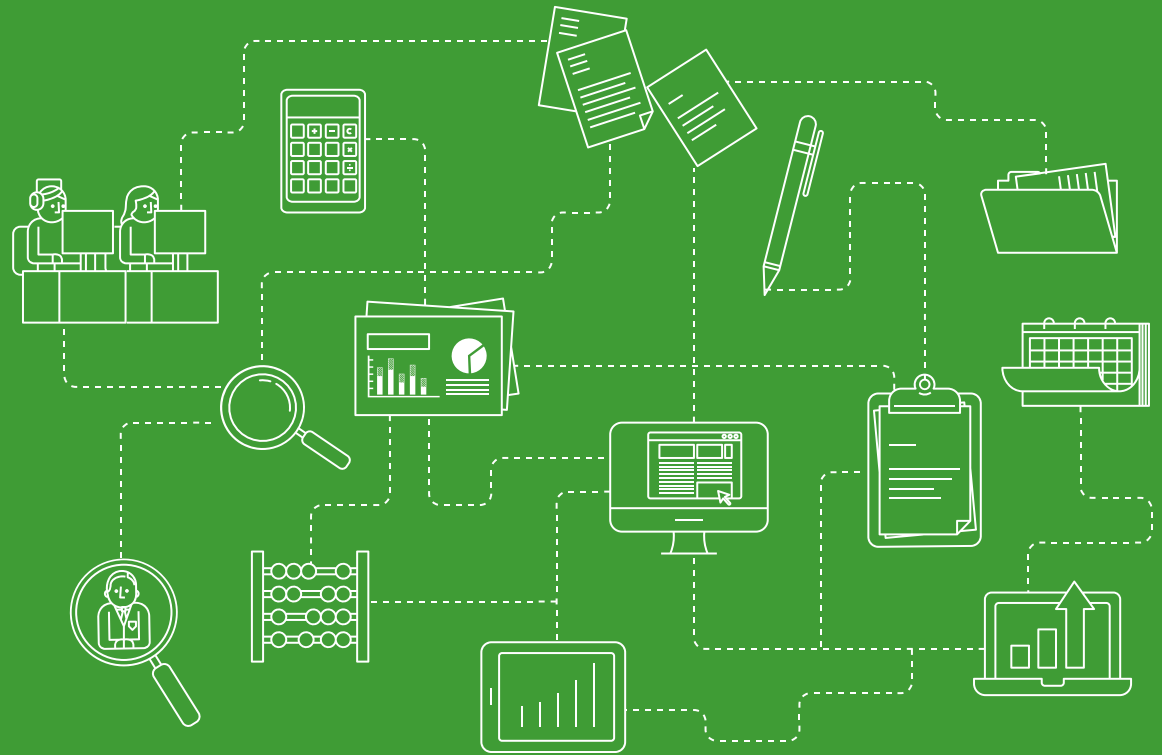
Assignment	Opinion issued	Actions agreed			
		A	L	M	H
Board / Committee Inductions	Substantial Assurance	0	0	0	0
<u>Objective:</u> To confirm the College has appropriate arrangements in place to ensure that all new Board and Committee members are provided with the information and training required to ensure that they can effectively perform their duties.					
<u>Conclusion</u> Our review established that the College has in place appropriate and adequate systems and controls, which operate effectively to support the consistent induction of Board and Committee members. As a result of our review, we did not raise any management actions.					

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	Substantial Assurance	0	0	0	May 2025	March 2025
Curriculum Planning	Audit scheduled for week commencing 3 March 2025	-	-	-	May 2025	-
Payroll	Audit scheduled for week commencing 10 March 2025	-	-	-	May 2025	-
Health and Safety	Audit scheduled for week commencing 17 March 2025	-	-	-	May 2025	-
Safeguarding	Audit scheduled for week commencing 28 April 2025	-	-	-	September 2025	-
Follow Up of Previous Internal Audit Management Actions	Audit scheduled for week commencing 9 June 2025	-	-	-	September 2025	-

APPENDIX B: OTHER MATTERS

Detailed below are the changes to the audit plan:

Note	Auditable area	Reason for change
1	Key Financial Controls	There has been one change to plan since the last Audit Committee. The original plan had a Key Financial Controls audit scheduled, however this audit is now focussing on Payroll, due to change in risk profile and move to a new payroll system in April 2025.

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.

Other assurance activity:

Note	Activity	Overview of output
1	Education Edit Newsletter	<p>We issued our most recent RSM Education Edit Newsletter which included topical insights for higher education and further education.</p> <p>This latest edition included:</p> <ul style="list-style-type: none">Improving education governance with a Board Assurance Framework: RSM's Board Assurance Framework (BAF) Toolkit provides an actionable roadmap to enhance governance and risk management. It emphasises strategic oversight and assurance mapping, guiding institutions through a 10-step process to identify, mitigate, and monitor risks effectively, empowering boards to navigate challenges and build stakeholder trust.Balancing the risks and rewards of generative AI in education: Generative AI is transforming education, offering benefits like personalised learning, reduced teacher workload, and enhanced accessibility for students with special needs. However, its rapid adoption brings challenges, including data security risks, ethical concerns, and impacts on academic integrity. Institutions must navigate these complexities by developing clear AI policies, ensuring robust cybersecurity measures, and upskilling educators. With careful integration, generative AI can revolutionise learning and teaching, preparing students for a future shaped by advanced technologies.The importance of transformation for UK universities: With 72% of UK universities projected to face financial shortfalls by 2025-26, transformation is essential for survival and growth. Strategies like cost sharing collaborations, investments in hybrid learning, and revenue diversification are crucial to overcoming financial challenges. Leadership-driven transformation, supported by clear governance and strategic decision-making, will ensure long term sustainability and differentiation in an increasingly competitive landscape.
2	FE Benchmarking Report 2023/24	<p>As part of our internal audit service, we provide benchmarking data to our clients within our internal audit assignment reports. This paper provides a benchmark for our individual clients, allowing for self-assessment against all of our further education clients.</p> <p>The benchmarking data provided in this paper are based on all of the internal audit assurance reports we have issued to our further education clients during the audit year 2023/24. This paper provides you with a useful snapshot of your performance against others in the sector.</p>
3	Higher Education News Briefing – January 2025	<p>In this edition of our news briefing, we draw attention to some of the key developments and publications affecting the sector, with particular focus on strategy proposals and financial pressures faced by students and institutions.</p>

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 10 days of debrief meeting	10 days	4 days (average)		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	20 days (average)	*	Response time for all general enquiries for assistance	2 working days	2 days	
Final report issued within 3 days of management response	3 days	Same day		Response for emergencies and potential fraud	1 working day	1 day	

Notes

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

* 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

Rob Barnett, Head of Internal Audit

Email: Robert.Barnett@rsmuk.com

rsmuk.com

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

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

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

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

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Application Note Global Internal Audit Standards in the UK Public Sector

January 2025



Global Internal Audit Standards in the UK Public Sector

The Application Note 'Global Internal Audit Standards in the UK Public Sector' is being adopted by the Relevant Internal Audit Standard Setters (RIASS) from 1 April 2025. It follows a period of consultation, and on the advice of the UK Public Sector Internal Audit Standards Advisory Board (IASAB), the Application Note should be applied in conjunction with the Global Internal Audit Standards published by the Institute of Internal Auditors. It includes key requirements and interpretations that are crucial for implementing the Standards within the practice of internal audit in the UK public sector.

Overview of the Standards

The RIASS have determined the Global Internal Audit Standards are 'a suitable basis for the practice of internal auditing', subject to interpretations and requirements. Whilst the section on 'Applying the Global Internal Audit Standards in the Public sector' is welcome, the Application Note provides UK public sector specific context and additional requirements.

Internal auditors must adhere to the requirements of the Global Internal Audit Standards and the International Professional Practices Framework. Throughout 2024, internal audit providers have been transitioning to the Standards, which became effective on 9 January 2025. The current Public Sector Internal Audit Standards have been in place since 2017. From 1 April 2025, auditors in the public sector must adhere to the Application Note, in addition to the requirements of the Global Internal Audit Standards.

The IASAB will periodically review the Application Note. This includes consideration of any Topical Requirements that are relevant to the public sector.

We have published several client briefings on the Global Internal Audit Standards and the requirements.

- Overview of the Global Internal Audit Standards.
- Quality Assurance and Improvement Programme.
- Key Stakeholder Requirements in Domain III.
- Assessing Readiness and Action Plans.

Please get in touch with your usual RSM contact to request a copy.

Global Internal Audit Standards in the UK Public Sector

Key interpretations and requirements

The Application Note includes several requirements and interpretations in the context of the UK public sector, summarised as follows.

- Alongside the requirements in the Global Internal Audit Standards in Domain II: Ethics and Professionalism, internal auditors must apply the Seven Principles of Public Life (the 'Nolan Principles').
- Auditors in the UK public sector need to understand when they are required to share or publish information. They should be familiar with their organisation's policies and procedures for publishing certain information, as well as any statutory obligations to do so.
- In meeting the requirements of Standard 9.1 Understanding Governance, Risk Management and Control Processes and Standard 13.4 Evaluation Criteria, auditors must recognise the importance of value for money.
- With the legal and regulatory structures across the public sector, where the chief audit executive is unable to co-ordinate with other assurance providers, the barriers must be set out to the board.
- Where a board does not have authority over budgets, this can hinder the chief audit executive's ability to seek additional funding due to other organisational priorities. To comply with Standard 8.2 Resources, the chief audit executive should develop a resource strategy that proposes practical solutions for the board's consideration.
- Where the chief audit executive is unable to develop a strategy to obtain sufficient resource to address shortfalls, there is no expectation to comply with Standards 10.1 to 10.3, Principle 10 Manage Resources. The chief audit executive must inform the board of the effect of insufficient resources and highlight any options to mitigate the impact. If internal audit's ability to fulfil its mandate is at risk, the board must also be informed.
- The chief audit executive must provide an overall conclusion on governance, risk management and control annually, with the conclusion informing internal audit planning in alignment with Standard 9.4.
- The results of internal quality assessments are to be reported annually and include any action plans to address non-conformance.
- The chief audit executive is to be qualified, holding a professional qualification such as CMIIA, CCAB or other equivalent qualification that includes training on the practice of internal audit. They should also have suitable experience.
- At least one individual within the external quality assessment (EQA) team should hold the skills and qualifications as that required of the chief audit executive. An EQA assessor is expected to understand the Global Internal Audit Standards in line with an individual with the Certified Internal Auditor designation, including how the standards are applied to the UK public sector.

Domain III Governing the Internal Audit Function sets out important 'essential conditions' for the board and senior management. When implemented they enable the internal audit function to be effective and fulfil its purpose. Given the unique governance and organisational structures in the public sector, internal audit functions may need to adapt some standards to achieve the same outcomes. These alternatives must be approved by the board or audit committee and, if permanent, must be explained in the Charter.

Global Internal Audit Standards in the UK Public Sector

Our internal audit services

In transitioning to the Global Internal Audit Standards, during 2024 we have updated our manuals, reports, charter and mandate, and trained our people. This ensured our preparedness and conformance with the new standards.

As a leading provider of internal audit services to the public sector we have carefully considered the requirements of the Application Note Global Internal Audit Standards in the UK Public Sector. With the Public Sector Internal Audit Standards being replaced, our charter and reports will be updated, applicable from 1 April 2025.

Having reviewed the interpretations and requirements, our internal audit services align with the intent of the Global Internal Audit Standards in the UK Public Sector.

Our last EQA concluded that RSM 'generally conforms to the requirements of the IIA Standards' and that 'RSM IA also generally conforms with the other Professional Standards and the IIA Code of Ethics. There were no instances of non-conformance with any of the Professional Standards'. The rating of 'generally conforms' is the highest rating that can be achieved, in line with the IIA's EQA assessment model. Our next EQA is due to take place in 2026 and will reflect the requirements of the Global Internal Audit Standards in the UK Public Sector.

Further information

Access the Application Note Global Internal Audit Standards in the UK Public Sector at: <https://www.iasab.org/standards>

Access the Global Internal Audit Standards at:
<https://www.theiia.org/en/standards/2024-standards/global-internal-audit-standards/>

Should you have any questions regarding the Global Internal Audit Standards in the UK Public Sector, what it might mean for you, or our adherence to the Standards, please get in touch via your usual RSM contact.

FURTHER INFORMATION

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